Daily Report

Latin America

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FBIS-LAT-94-114 *14 June 1994*

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Ibero-American Foreign Ministers Reach Accord

PA1306232294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2208 GMT 13 Jun 94

[Report by Guillermo Rodriguez from Cartagena de Indias; from the "Caracol's Quarter Hour" newscast—live]

[Text] The Ibero-American countries, through their foreign ministers, have already reached an agreement on the document for investment, development, and social adjustments as a means of moderating the summit's opening following the presentation of a harsh document by the CLAT, the Latin American Central Organization of Workers, which states that more than 200,000 workers in Latin America have lost their jobs.

Colombian Foreign Minister Noemi Sanin, at the conclusion of the second round of sessions with her Ibero-American colleagues, said the following:

[Begin recording] [Sanin] We have already reached an agreement on the final document.

[Unidentified reporter] What does it consist of?

[Sanin] Integration, trade, investment, and the parallel social-type processes that must be implemented.

[Reporter] [Words indistinct] what priority did it have?

[Sanin] It was not included on the agenda.

[Reporter] Did Spain and Portugal have a real commitment to represent Latin America at the EU?

[Sanin] They are the natural bridge to represent us at the EU.

[Reporter] Did they sign a written commitment?

[Sanin] Of course, since the first summit.

[Reporter] How would you describe the development of the summit so far?

[Sanin] Totally satisfactory.

[Reporter] Would Colombia support military intervention in Haiti? Would the Ibero-American countries support it as the United States would like?

[Sanin] We have not talked about the topic of Haiti and Cuba in this summit. We are going to see if the presidents, during the informal meetings, bring it up, but up to now the foreign ministers have not talked about it. [end recording]

These were the most relevant aspects of the meeting with the media at the Americano Hotel a few minutes ago where the foreign ministers have finished drafting the document that will be reviewed by the presidents. There is no doubt that they will discuss the topic of Haiti and Cuba, the two central topics that are not officially on the agenda but will be brought up by some of the countries that believe they are topics that Latin America cannot avoid at this time.

Panamanian Minister Opposes Sanctions

PA1306203794 Panama City Telemetro Television Network in Spanish 1730 GMT 13 Jun 94

[From the "Telemetro Reports" newscast]

[Text] Foreign Minister Jose Raul Mulino has stated that the application of economic sanctions and the trade embargo decreed against Haiti will harm the Haitian people more than their leaders. Mulino made this statement during his visit to Colombia, where the Fourth Ibero-American Summit begins tomorrow. According to the Panamanian foreign minister, the Haitian case is similar to the U.S. blockade against Cuba.

Cubans Doubt Summit To Ask for Change

PA1306222994 Madrid EFE in Spanish 1816 GMT 13 Jun 94

[Text] Cartagena de Indias (Colombia), 13 Jun (EFE)—High-ranking Cuban officials, who are participating in the meetings prior to the Fourth Ibero-American Summit, doubt that other presidents will ask Fidel Castro to make political changes, "because we have not come with an agenda to ask anything from anybody."

"Cuba respects the self-determination of every country, and it, therefore, demands that ours be respected as well," Cuban Deputy Foreign Minister Jorge Bolanos, who has participated in the drafting of the final document of the summit, told EFE. Diplomatic sources, however, said some presidents, including the Spanish prime minister, talked to the Cuban leader about the need to accelerate the economic reforms and to introduce political changes as he had done on previous occasions. The same sources said that, during the meetings prior to the summit, the Cuban delegation, which customarily attracts the most attention, "was not belligerent or demanding at all."

Bolanos confirmed that the final document makes a direct reference to the economic embargo imposed by the United States on Cuba over 30 years ago. "I would have preferred to say that the blockade is an illegal and unfair act, but when the meeting is held in a framework where an agenda has to be discussed, you have to bear these factors in mind."

In fact, as occurred last year during the Third Ibero-American Summit held in Salvador de Bahia, Brazil, neither Cuba nor the United States are mentioned in the final document. The term embargo is not used, let alone the term blockade.

The draft of the final document, which must be approved by the foreign ministers today and subsequently by the heads of state, "reiterates the firm rejection of any measure that adversely affects the free

development of trade, violates the principles of international law, and hurts the living conditions of the Latin American peoples."

The Cuban deputy foreign minister also recognized that the text of the document, the contents of which are essentially economic in nature, is a confirmation of liberal principles, "with certain amendments that balance it out."

"The opinion of Cuba," he said, "is that any document must take into account the 400 million Latin Americans, especially the 200 million who live in conditions of extreme poverty, and must therefore emphasize social policies."

For the Cuban Government, this Fourth Ibero-American Summit will be a success "if the heads of state categorically speak out in favor of the creation of Latin American economic and trade opportunities that can insert Latin America into an international and world context," Bolanos said.

Presently, Cuba is not involved in any integration mechanism in progress, but it believes it is "very encouraging" to see the signing this afternoon of the free trade agreement between Colombia, Venezuela, and Mexico with possibilities of its being opened up to the Caribbean and Central American countries. Bolanos also noted that the Association of Caribbean States is currently being formed and that it includes the islands and the continental countries bordering the Caribbean. "Cuba has been there since the beginning," he said.

The deputy foreign minister said that during the preparatory meetings no delegate spoke about the hemispheric summit convened by U.S. President Bill Clinton, "from which we have not excluded ourselves but from which we have been excluded." "We neither like it nor dislike it, and we are not going to ask for an invitation," said the Cuban deputy foreign minister, who added that he is convinced that Clinton's initiative will not undermine the Ibero-American summit. In this regard, he pointed out that a timetable has already been drafted for the next summits, and, if approved by the heads of state or governments, they will be held in Argentina (1995), Chile (1996), Venezuela (1997), Portugal (1998), Cuba (1999), and Panama (2000).

Presidents, Royal Couple Arrive for Summit

PA1306235194 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2228 GMT 13 Jun 94

[Report by special correspondent Fabio Callejas from Cartagena de Indias; from the "Caracol's Quarter Hour" newscast; passages within quotation marks are recorded—live]

[Text] At this time, the tarmac of the Rafael Nunez Airport in Cartagena is completely full of aircraft. As the central studios have reported, the Spanish royal couple, King Carlos and Queen Sofia, arrived from Madrid aboard a Spanish Air Force flight at 1535 [2035 GMT] and at 1555 Prime Minister Felipe Gonzalez arrived. At 1615 [2115 GMT] Peruvian President Alberto Fujimori arrived. Later, arriving from San Jose, Costa Rica, were Costa Rican President Jose Figueres, Salvadoran President Armando Calderon Sol, Guatemalan President Ramiro de Leon Carpio, Honduran President Carlos Roberto Reina, Nicaraguan President Violeta Chamorro, Panamanian President Guillermo Endara, and Brazilian President Itamar Franco, all aboard the same Colombian Air Force [FAC] Fokker airplane. Costa Rican President Jose Maria Figueres, who was one of the first to emerge from the FAC aircraft, said:

[Figueres] "We are all pleased to be here. May my first words be of solidarity with the Colombian people for last week's tragedy."

Humanitarian economic development and consolidation of the Central American peace process are the main issues the presidents of these countries have outlined, upon arriving just moments ago at the Rafael Nunez International Airport. Nicaraguan President Violeta Chamorro also greets the Colombian people on Radio Caracol.

[Chamorro] "Good afternoon, dear friends of Cartagena de Indias, dear journalists, and all those listening. This is Violeta Barrios de Chamorro, the president of Nicaragua."

The leaders who arrived aboard the special FAC flight also expressed their feelings of sympathy for the Colombian people, following the catastrophe in Huila and Cauca Departments. Salvadoran President Armando Calderon Sol also offers his greetings:

[Calderon Sol] "As president of El Salvador, it is a real pleasure to be in this generous nation, Colombia, which opens its arms to welcome all of the Ibero-American leaders. We all believe such summit meetings are very beneficial for our people."

Honduran President Carlos Roberto Reina briefly addressed the Colombian people.

[Reina] "I offer a fraternal salute to the Colombian people and express my sympathy for the trying moments you are experiencing."

The Group of Three [G-3] nations will sign the G-3 trade agreement at 1930 at the guest house for illustrious visitors, here in Cartagena de Indias.

Menem Comments on Arrival

PY1406032894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0100 GMT 14 Jun 94

[Report by Fabian Dubal]

[Text] Cartagena de Indias, Colombia (NA)—President Carlos Menem will participate in the Fourth Ibero-American Heads of State and Government Summit where "crucial issues of today's world" will be discussed.

Menem arrived at the local airport at 1915 (2115 Argentine time) [0015 GMT 14 June]. After a brief contact with journalists, he headed for the Hilton Hotel where he will stay together with the other heads of state attending the meeting.

Menem reiterated that he is willing to meet Cuban leader Fidel Castro "if he" asks for a meeting.

Regarding the Cuban situation Menem said "for years Argentina respected the blockade" imposed by the United States. The Argentine president made clear, however, that Argentina "has good relations" with the island and is "constantly monitoring" the situation.

"The possibilities for integration are enormous if Cuba becomes democratic," Menem stressed.

The Argentine president was accompanied by Foreign Minister Guido Di Tella.

Menem also mentioned the world soccer tournament and reiterated that the championship will be won by either Argentina, Germany, Brazil, Colombia, or Italy.

Castro Arrives for Summit

PA1406043594 Mexico City NOTIMEX in Spani 0419 GMT 14 Jun 94

[Text] Cartagena de Indias, 13 Jun (NOTIMEX)—Cuban President Fidel Castro arrived on the evening of 13 June in Cartagena de Indias, Colombia, to attend the Fourth Ibero-American summit, which will gather 22 leaders from Latin America, Spain, and Portugal for two days.

Castro arrived at 2315 (0415 GMT) and was greeted at the Rafael Nunez Airport by Colombian Foreign Minister Noemi Sanin and writer Gabriel Garcia Marquez. Fidel Castro was the last, among the chiefs of state and government, to arrive in Cartagena de Indias to attend the summit which will start on Tuesday.

Spain's King, Prime Minister Meet Leaders

LD1406093994 Madrid RNE-1 Radio Network in Spanish 0600 GMT 14 Jun 94

[Text] The heads of state and government participating in the fourth Latin American summit are taking advantage of their meeting in Cartagena de Indias to hold bilateral meetings. Cuban President Fidel Castro has expressed his interest in meeting with Felipe Gonzalez. Juan Luis Diaz Prats reports from Colombia:

[Diaz Prats] King Juan Carlos and Prime Minister Felipe Gonzalez have held separate meetings with other leaders attending the fourth Latin American summit. The king received Chilean President Eduardo Frei, Uruguayan President Luis Alberto Lacalle, and Costa Rican President Jose Maria Figueres. King Juan Carlos was interested in the situation in Chile and Costa Rica and in Central America. He said he regretted having to delay until next year his official visit to Uruguay, a country which has begun the electoral process.

Gonzalez held meetings with the presidents of Colombia, Uruguay, and Honduras. The summit agenda was discussed during these meetings, but so was the situation in Cuba. Cuban President Castro has asked to speak to Gonzalez at 0700 Colombia time, which is 1400 Spanish time. Castro was the last leader to arrive in Cartagena, after 2300 local time.

The Uruguayan president confirmed to Gonzalez that his government would continue to collaborate in the fight against terrorism, restricted only by respect for judicial decisions. Gonzalez also spoke about cooperation with the three Latin American leaders. In the specific case of Colombia, the Spanish prime minister offered to continue aid to the areas devastated by the floods in Cauca and Huila, which will be visited at the end of the summit by Jose Luis Dicenta, secretary of state for international cooperation and Latin America, who is responsible for drawing up a Spanish aid plan for southwest Colombia.

Colombian, Mexican, Venezuelan Presidents Sign Accord

PA1406020794 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0108 GMT 14 Jun 94

[Report by Pedro Palomo and Orlando Cano from Cartagena—live]

[Text] Mexican President Carlos Salinas, Colombian President Cesar Gaviria, and Venezuelan President Rafael Caldera are now signing the free trade agreement of the three nations, collectively known as the Group of Three [G-3]. Caracol asked President Salinas about the future of the trade alliance and the eradication of poverty through regional trade exchanges:

[Begin recording] [Salinas] We in Mexico are convinced the only way to defeat poverty [words indistinct] economic growth, because without well-paying jobs there will be no chance of permanently eradicating poverty. Simultaneously [words indistinct] accelerated growth recovery there must be a deliberate social program. [end recording]

There is a warm breeze at 2008 here at the Guest House. President Gaviria is replying to the questions of local and foreign journalists, approximately 100 of them, who were accredited to cover the signing of the much-awaited G-3 agreement, which will allow Colombia, among other things, [word indistinct] an additional $400 million beginning 1 January 1995.

Meanwhile, Venezuelan President Caldera said the signing of the G-3 agreement could help Venezuela

overcome the economic problems caused by a crisis in the exchange rate. The president said these kinds of agreements are reached primarily to consolidate the [two-second break in reception] and development of each country.

This is a mechanism to fight poverty, the plight of the unprotected, insecurity, and terrorism, because if there are more businesses and more exchanges, there will be more jobs for the unemployed, and as a result, the peoples of Latin America will be able to enter the path of peace.

Further on Accord

PA1406012894 Madrid EFE in Spanish 0057 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 13 Jun (EFE)—The presidents of Colombia, Mexico, and Venezuela here on Monday signed the free trade agreement of the Group of Three (G-3), which calls for a gradual elimination of tariffs among these nations within 10 years.

The agreement was signed by Mexican President Carlos Salinas, Venezuelan President Rafael Caldera, and Colombian President Cesar Gaviria. They will participate, beginning on Tuesday, in the Fourth Ibero-American summit of chiefs of state and government in this city in northwestern Colombia.

The treaty, which was signed at the Presidential Home for Illustrious Guests, will benefit 150 million inhabitants of these three countries, and in initial stages, will generate business amounting to $600 million per year. Its signing was achieved after more than three years of efforts that nearly failed in May.

The G-3 agreement will go into effect in early 1995, and for Colombia and Venezuela it offers an opportunity to request membership in NAFTA, of which Mexico is a signatory as well as the United States and Canada.

Central American Leaders Meet on Proposals for Summit

PA1306203594 Paris AFP in Spanish 1858 GMT 13 Jun 94

[Text] San Jose, 13 Jun (AFP)—The Central American presidents agreed to propose at the Cartagena summit an endorsement of Ibero-American ecological and trade integration and to request specific actions to promote the isthmus' "unrestricted" access to third markets.

After a second working session that concluded today at noon, the Central American presidents signed in San Jose a joint declaration outlining proposals for the area with the Ibero-American summit in mind. This summit will open in Cartagena de Indias, Colombia on Tuesday.

"We propose that Ibero-America incorporate ecological integration into efforts toward economic and social integration. It is necessary to combine subregional integration agreements so it will be possible in the near future to create a large free trade zone," states the document, which was read by Guatemalan President Ramiro De Leon Carpio .

De Leon emphasized the need for the Ibero-American community to increase technical and financial aid to Central America to fight poverty; promote fair, sustainable development; and consolidate its democratic process after enduring the previous decade's severe crisis aggravated by the "Cold War."

The document states: "Renewed international solidarity with Central America should be expressed in concrete actions in the field of trade exchange, thus clearing the way for unrestricted access of the isthmus' products to the Ibero-American community's markets."

According to the presidents, ecological integration will allow the establishment of Ibero-American environmental laws, the signing and implementation of an agreement in favor of nature, and the transfer of technology to benefit all productive sectors.

The Central American presidents also agreed to request the participation of the Ibero-American nations as extraregional associates of the Central American Bank of Economic Integration to finance regional development projects.

The declaration was signed by Presidents De Leon Carpio, Carlos Roberto Reina (Honduras), Armando Calderon Sol (El Salvador), Violeta Chamorro (Nicaragua), Guillermo Endara (Panama), and Jose Maria Figueres (Costa Rica).

The Costa Rican president stressed that despite internal differences Central American countries must face the "challenges" of development together as an example of the isthmus nations' "brotherhood."

In addition, the presidents called for a Central American ecological summit to be held in Nicaragua 12-13 October as well as for an international conference for peace and development in Central America, slated for 24-25 June in Honduras.

After the mini summit, the first working session of which was held on Sunday night, the Central American presidents will travel to Cartagena together in a plane provided by the Colombian Government.

Presidents Want 'Cuban Situation' Solved

PA1306220994 Panama City ACAN in Spanish 2046 GMT 13 Jun 94

[Text] San Jose, 13 Jun (ACAN-EFE)—The Central American presidents today demanded a solution to the Cuban situation within the framework of the inter-American system, but ruled out taking this issue before the fourth Ibero-American summit, which will be held in Colombia tomorrow and Wednesday, or that it will be the subject of an agreement.

At the conclusion of a two-day meeting in Costa Rica, Honduran President Carlos Roberto Reina said that this is a regional stand, although there may be details that they might not agree on. Reina said that Central America would like to see a "democratic transition" in Cuba, but attributed the responsibility of seeking a solution to the OAS. "It is a problem of the (inter-American) system, and we must find a solution to this special case," Reina pointed out when consulted on this issue, which was not included in the final document of the Central American meeting.

The Honduran president and Costa Rican President Jose Maria Figueres agreed, however, that the solution of the Cuban problem "must come from within the Cuban family." Figueres said that now that the bipolar world is a thing of the past and the Cold War is over "we have an obligation to assess" our foreign relations, among others, with Cuba, a country with which Costa Rica broke relations in the 1960's, as did most of the Latin American countries. "In these new times we want to be sure of what we are doing," the chief of state said. He added that all efforts must be made to ensure that Cuba will be able to move forward "in a peaceful manner."

The chiefs of state, however, refused to say whether they want to reestablish relations with Cuba, request an end to the economic blockade imposed by the United States for more than 30 years, or call for Cuba's reinstatement into the OAS, from which it was expelled in the 1960's.

A diplomatic source that requested anonymity, however, said that the Cuban case could bring a surprise at the Ibero-American summit, which will take place tomorrow and Wednesday in Cartagena de Indias (Colombia), but refused to elaborate.

Cuba

Sources: 16 Citizens Break Into German Embassy

PA1306153594 Paris AFP in Spanish 1451 GMT 13 Jun 94

[Text] Havana, 13 Jun—Diplomatic sources have reported that early this morning a group of 16 Cubans used a truck to force their way into the German Embassy in Havana to seek political asylum.

The source reported that at 0915 GMT, the group, which includes women and children, crashed the truck in which they were traveling against the iron gate at the entrance of the embassy, opening it, and entering the diplomatic grounds, where they requested political asylum.

The German Embassy is in the Miramar neighborhood (in west Havana), a few hundred meters from the Belgian ambassador's residence, which has been occupied since 28 May by 118 Cubans who have requested political asylum to leave Cuba.

German Embassy officials consulted by telephone have refused to comment on the matter and have asked journalists to contact the German Foreign Relations Minister in Bonn.

[Paris AFP in Spanish at 1507 GMT on 13 June reports that a total of 21 Cubans—three women and 18 men—took refuge on Monday at the German Embassy in Havana, according to the German Foreign Ministry in Bonn.]

Foreign Ministry Confirms Forced Entry

PA1306172094 Mexico City NOTIMEX in Spanish 1643 GMT 13 Jun 94

[Text] Havana, 13 Jun (NOTIMEX)—Today, the Cuban Foreign Ministry confirmed a group of people's forceful entry into the German Embassy in Havana and described the action as an "obvious provocation."

Miguel Alfonso, official spokesman of the Cuban Foreign Ministry, has told NOTIMEX: "We want to point out that this action has taken place on the very day the president of Mexico arrives in Havana and on the eve of the 4th Ibero-American summit."

The spokesman said the forceful entry of these people into the German Embassy "is additional evidence of the harmful results of the U.S. policy" of denying visas to those who request visas at the U.S. Interests Office here.

Havana Radio Reports Incident

FL1306180694 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Jun 94

[Text] Cuba has termed 20 people's entry into the German Embassy in Havana a provocation and an illegal act and carefully planned and executed to coincide with the Mexican president's arrival in Cuba and with the eve of the fourth Ibero-American summit. Foreign Ministry spokesman Miguel Alfonso has confirmed for PRENSA LATINA that 17 men and three women illegally entered the Embassy by ramming a truck with Camaguey Province license plates into the Embassy's metal garage door.

This took place early on 13 June. German Ambassador Georg Trefftz reported the incident to Cuban authorities a few minutes later, summoning Foreign Ministry officials. Luis Garcia Peralta, deputy director of the Europe Directorate, [name and title as heard] showed up to represent the Cuban Foreign Ministry. The ambassador told him that the people occupying the Embassy refused to leave, even though he himself had asked them to leave immediately. Foreign Ministry spokesman Miguel Alfonso reiterated the well-known Cuban position of not approving the violation of a diplomatic mission accredited to Cuba as a means to supersede normal procedures to travel abroad.

Havana Reports Pilot Defection to Key West

FL1306212994 Havana Radio Reloj Network in Spanish 1942 GMT 13 Jun 94

[Text] The following is a communique from the Civil Aeronautics Institute: Arriel Corral Gonzalez, pilot, defected yesterday, 12 June. Corral, who worked for the National Air Services Enterprise, took an AN-2 [as heard] type airplane that was being used for agricultural work in Pinar del Rio. The traitor flew the plane to the Boca Chica Naval Air Station in Key West, United States. Cuba is currently taking steps to have the plane returned.

Castro Meets With Salinas, Talks About Mexico

PA1406015094 Mexico City Radio ACIR Network in Spanish 0000 GMT 14 Jun 94

[Report by Oscar Navarro Cuevas from the "ACIR Radio News" newscast]

[Text] President Carlos Salinas de Gortari met privately with Fidel Castro, president of the Cuban Councils of State and Ministers. Cuban President Fidel Castro accompanied the Mexican president to the Protocol House of the Cuban Government where Salinas rested a few minutes before beginning his meeting with his host. Prior to this, at the Jose Marti International Airport, Salinas reviewed a Cuban Revolutionary Armed Forces honor guard.

Salinas also did something unexpected. He walked to where a group of people were standing behind the security line and personally greeted them. The Cuban and Mexican national anthems were played during the official welcome ceremony at the airport. Salinas stood with his arms down while President Castro saluted with his right hand.

The presidents left the airport in a limousine adorned with the Cuban flag on the right side and the Mexican flag on the left. The limousine drove down the main

runway from where a huge placard with Salinas' face could be seen as well as other placards reading: Long Live the Friendship Between the Peoples of Cuba and Mexico, and Welcome, President Salinas de Gortari.

All along the route to the Protocol House were placards reading: Long Live the Friendship Between the Peoples of Marti and Juarez, and Long Live the Unbreakable Friendship between Mexico and Cuba. Cuban radio stations carried live coverage of the Mexican president's arrival in Cuba and his arrival at the Cuban Government House. Here, the two presidents met privately. At the end of the meeting, Castro hosted a lunch for the Mexican president. After lunch, the two presidents met again to discuss the many topics on the bilateral agenda.

According to statements by Castro during an interview, the most important subject discussed was attracting Mexican capital to Cuba. While at the Protocol House, Castro told the press his country's foremost relations with the hemisphere are precisely with Mexico.

During the meeting with the Mexican press, Castro also talked about the situation in Chiapas, the blockade Cuba is experiencing, the recent incidents in Mexico, and his life. Castro said the incidents that have occurred in Mexico saddened and pained him.

[Begin recording] [Navarro Cuevas] I have seen with concern and pain the problems Mexico has experienced, Fidel Castro, president of the Councils of State and Ministers, said. Interviewed shortly before the arrival of Mexican President Salinas, Castro said he would not be a realist if he were to say all is rose-colored in Mexico, especially in light of the situation it is experiencing. The Cuban leader explained, however, Mexico is not an isolated case; he said similar things are happening in other countries as a result of the lost decade [decada perdida]. Regarding Chiapas State, Castro said:

[Castro] You have asked me a very difficult question. Why? Because it is a question that concerns Mexican domestic affairs, and I am not the one to analyze those things. I do believe, however, [words indistinct] social problems and conflicts, but the situation is not only a Mexican situation; it is a situation that affects the whole hemisphere. [Words indistinct] the famous lost decade [words indistinct] problems. For example, [words indistinct] per capita is the same as 16 years ago. [Words indistinct] many social and economic problems that have accumulated. I would say those are factors that cause an [word indistinct] imbalance and create problems as the ones we see in Chiapas.

[Navarro Cuevas] Regarding the U.S. economic blockade against Cuba, a blockade that has lasted more than 30 years, Castro said it is the oldest blockade in history and it has been confronted by the longest resistance. He said investments are slowly returning to Cuba and are being consolidated on the island. Castro said if he were born again, he would do the same all over again, only better. Castro also said he would love to live more than 100 years. When asked if he hoped to do more in his life, Castro said he has been commander for more than 30 years. He said this title was given to him in Mexico.

In conclusion, the president of the Councils of State and Ministers said he is not a neoliberal and he would not talk about that because some of the countries that will attend the fourth Ibero-American Summit in Cartagena de Indias, Colombia, would not like it, and those countries are his friends. [end recording]

Reaffirms Rejection of Blockade

PA1406022394 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Jun 94

[From the "Evening Information Review" newscast]

[Text] Mexican President Carlos Salinas de Gortari, during a news conference in Havana, has reaffirmed his opposition to the U.S. blockade against Cuba, a country toward which he will always promote solidarity and respect.

Shortly before concluding his brief visit to the Cuban capital, Salinas de Gortari told the local and foreign media that, in his talks with his counterpart Fidel Castro, he discussed political and economic issues, including trade and investments by private Mexican citizens in the island.

In this regard, he confirmed an important investment by a Mexican company in the Cuban telephone industry as well as the preference that will be granted to the import of Cuban products such as textile products, tiles, and prefabricated houses.

As for the Fourth Ibero-American summit that will start on Tuesday, the Mexican president said he will attend it convinced that specific results will be achieved in the areas of trade and integration. He added that summits have shown their value as formidable political forums to collectively discuss issues that are common to all peoples of the region.

Announces Telecommunications Investment

PA1406034894 Mexico City NOTIMEX in Spanish 2321 GMT 13 Jun 94

[Text] Havana, 13 Jun (NOTIMEX)—Today in Havana, Mexican President Carlos Salinas de Gortari confirmed that private Mexican investors will make a "major investment" in Cuba's telecommunications industry.

President Salinas de Gortari noted that one of the most significant results of the official visit to Cuba was the confirmation of a telephone project. Salinas made the announcement during a news conference following a meeting with President Fidel Castro, within the agenda drawn up for his short stay in the Cuban capital.

On Monday, Domos Internacional, a private Mexican consortium, and the Cuban Ministry of Communications signed a "general agreement" to pave the way for a

$1.5 billion investment to modernize the Cuban telephone system. The final details of the plan have yet to be established.

General Silvano Colas Sanchez, the Cuban minister of communications, disclosed that it calls for the creation of a partnership in which the Cuban State will own 51 percent of the company's shares and Mexican investors will control 49 percent. The investment will be made in two parts and part of the Mexican portion will be in the form of a trade-off of Cuba's debt, also known as swaps. This project could very well represent the single largest foreign investment project in Cuba. Its main goal is to modernize and expand the Caribbean island nation's current telephone network and provide all other related services.

President Salinas de Gortari said that during his interview with Castro, he discussed other Mexican private sector plans for investing in the textile and glass industries. Salinas de Gortari spent six hours in Cuba and then flew on to the Colombian port city of Cartagena de Indias, where he was scheduled to sign a free trade agreement with the Group of Three [G-3]. The Mexican president will sign the agreement with Presidents Cesar Gaviria of Colombia and Rafael Caldera of Venezuela, the other two nations that make up the G-3. The leaders expect the agreement to enter into effect on 1 January 1995.

Discusses Chiapas

PA1406005394 Mexico City NOTIMEX in Spanish 2322 GMT 13 Jun 94

[Text] Havana, 13 Jun (NOTIMEX)—Mexican President Carlos Salinas de Gortari said here today that a political solution has prevailed in the conflict in the southeastern State of Chiapas as part of a "new phase to achieve progress" in the search for solutions for that zone. Maintaining a cease-fire that is recognized by the Zapatist National Liberation Army and the prevalence of a political solution are elements that characterize the correct position assumed by the government toward the conflict, the president added.

During a news conference that he offered after talks with Cuban President Fidel Castro, Salinas de Gortari said his government will try to consolidate peace in and guarantee national sovereignty over that territory. He will also reinforce social programs already under way in that zone, especially those relating to health and supplies implemented as part of the official policy, about which the Mexican Government will offer more details later.

Salinas de Gortari added that besides those measures, the political parties and society are participating in the debate and efforts to achieve a consensus in the "country's political and democratic progress." "We have already achieved a national consensus in favor of peace," with regard to the situation in the extreme southeastern area of Mexico, the president added.

Salinas de Gortari said he discussed with Castro the situation in Chiapas, where an armed group occupied several towns on the first day of this year, followed by a unilateral cease-fire on the part of the government, and official peace talks. A government peace proposal was rejected this week by the armed group that, nevertheless, agreed to respect the cease-fire. The armed group's reply "seems to be more politically motivated than moved by social and justice considerations," he added.

"Although there are no formal peace agreements, the cease-fire is being maintained and a political solution prevails," Salinas de Gortari said. "These two results alone confirm that the strategy followed from the very beginning of the conflict was the correct one," the president pointed out.

He also recalled that the government is implementing projects to solve social and economic problems in Chiapas, where there is "important progress." Salinas de Gortari added that the work of Peace Commissioner Manuel Camacho Solis and mediator Samuel Ruiz—a Catholic bishop—led to the establishment of talks with the armed group and the consolidation of the cease-fire.

President Salinas de Gortari visited Cuba for about six hours to meet with Castro before leaving for Cartagena de Indias, Colombia, to attend the Fourth Ibero-American summit.

Concludes Official Visit

PA1406033694 Mexico City NOTIMEX in Spanish 0038 GMT 14 Jun 94

[Text] Havana, 13 Jun (NOTIMEX)—An official Mexican source reported Mexican President Carlos Salinas de Gortari concluded an official visit to Cuba today after spotlighting with Cuban President Fidel Castro "the close and deep ties" that link the two countries.

"The main objectives were achieved," Mexican Ambassador Carlos Tello Macias told NOTIMEX this Monday, shortly after the Mexican Air Force airplane carrying Salinas to the fourth Ibero-American Summit in Colombia took off.

Castro saw off the Mexican president at the foot of the stairs of the presidential plane, which left at 1720 (2120 GMT) after a brief drizzle. Salinas raised his arms from the top of the stairs to say goodbye to the high-ranking officials who saw him off at the Jose Marti Airport.

"Two sister peoples underscored their friendship and their deep and close relations," Tello said regarding the less than six-hour stay by the fourth Mexican president to visit Cuba since 1975.

"The two presidents discussed various topics of common interest and addressed broader aspects of international affairs. In addition to the talks, the visit achieved concrete results," the diplomat added. Tello said Mexico and Cuba achieved progress in the project for joint investments and joint enterprises (such as the agreement

on telecommunications), adding "all of this always helps to strengthen bilateral ties."

Despite the brevity of the visit, Salinas carried out the scheduled agenda, which included an official lunch with Castro, talks between the two statesmen, a news conference, and a reception at the Mexican Embassy in Havana. Most of his visit centered on talks with President Castro, with whom he discussed the broad range of bilateral relations in the political, economic, trade, cultural, and scientific-technical cooperation fields.

Vice Minister on Ibero-American Summit, U.S. Summit

PA1306142194 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Jun 94

[Report by special envoy Pedro Manuel Otero from Cartagena de Indias, Colombia for the "Evening Information Review" newscast]

[Text] Cuban Vice Foreign Minister Jorge Bolanos told Cuban media in this city that unlike previous summits, the Fourth Ibero-American Summit to be held this coming Tuesday and Wednesday has specific objectives.

Bolanos described the summit called by the United States in December as a quasi-hemispheric meeting. Without Cuba, he said, the meeting will not be a meeting of all American countries.

Bolanos also said Cuba will ask to the host the 1999 summit.

[Begin recording] [Bolanos] This summit is taking place in a different international environment; for example, regional integration efforts are stronger at this fourth summit than at previous ones. On the eve of this summit, the Group of Three will sign a free trade treaty. The Association of Caribbean States has emerged as we approach the summit, and while it is true that the purpose of this association is not to promote integration, it aspires to promote agreements, cooperation, and trade and therefore contributes to integration.

This summit overshadows the so-called hemispheric summit, which I prefer to describe as quasi-hemispheric because a small part of the hemisphere will not be represented.

The region's heads of state will meet to design what the North Americans call a Latin American [words indistinct] policy, which we cannot [words indistinct] in Latin America, a policy that is obviously trying to lay the groundwork for a new version of the policy the United States set for Cuba and Latin America in the 1970's with the Alliance for Progress and Cuba's expulsion from the OAS and to take a firmer grip on the Latin American market to check growing competition from Japan and the European Community.

That is the context for the Cartagena summit, and that is why it will be different from the first, second, and third summits. We always attend summits with the purpose of obtaining specific results based on what we think is best for the region. We want results that foster integration, cooperation, and everything that contributes to the progress in the region and to a reaffirmation of regional identity. As a great Cuban intellectual used to say, by reaffirming our identity, we also define our differences from those who are not like us.

[Otero] Does Cuba expect any support or declaration by the presidents against the U.S. economic blockade?

[Botellos] [Words indistinct] a delayed resolution. I do not think this summit will do less than that. I think we will make progress because the world is different and there have been events with contribute to the issuance of a resolution more advanced than that issued in Bahia last year.

Observers and political experts analyzing this summit agree that the Bahia summit revived the principles established in Guadalajara and projected them in a very Latin American dimension, especially the development aspect, which is what hurts our region. Our region's main problems are the results of underdevelopment. The Bahia summit promoted discussion of this issue with the well defined intention of encouraging development not just for its own sake but for social progress. I think this was [words indistinct] the organizers of this summit. Any intention to [words indistinct].

[Otero] You referred to the hemispheric summit as a quasi-hemispheric summit. Many believe this summit was convoked by the United States simply to interfere with the Ibero-American summit. Do you agree or do you think it is the result of a strategic policy by the U.S. Government?

[Bolanos] I do not think the United States has ever liked the Ibero-American summit. From the time the United States became a country, it has grown accustomed to influencing Latin America. I do not know if convoking that summit is the result of a policy, a doctrine, or of a need to prevail. [Words indistinct] have always existed to influence and dominate Latin America.

The Ibero-American Summit is a different project, an Ibero-American project that has a cultural basis, historical roots, and common problems, a project that includes Europeans who are not the most developed of that continent. There is a feeling of equilibrium that would not exist if the North Americans participated.

I think the quasi-hemispheric summit is a call to a meeting that has [word indistinct] intentions, the same intentions and ideas that motivated the founders of the Ibero-American summit, but the fact that Cuba is excluded highlights the difference between the spirit of that call and the spirit of the Ibero-American summits. That summit is intended to establish a policy that is not responsive to Latin America's needs, that includes discrimination against Cuba, and that forces Latin America to a sad dichotomy: going along with the principles set by

the United States with a revision of its 1970's policies and turning their back on the Latin American people.

[Otero] Thank you very much. [end recording]

Justice Minister on Anti-Drug Fight, Family

PA1306185994 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Jun 94

[Interview with Justice Minister Carlos Amat by correspondent Pedro Manuel Otero at the Hilton Hotel in Cartagena de Indias; date not given; from the "Evening Information Review" newscast—recorded]

[Text] [Otero] We are here at the Hilton Hotel, which is the seat of the 10th conference of justice ministers. We will take this opportunity to speak to Cuban Justice Minister Doctor Carlos Amat. Dr. Amat, virtually at the close of this event, we would like you to tell us what fundamental topics were discussed and what was the fate of the proposal submitted by the Cuban delegation?

[Amat] The meeting of Ibero-American justice ministers is a conference that has been held for several years. As you stated, this is the 10th conference. On this occasion we touched on topics that appear to be permament topics on our agendas. One is the topic of the fight against drug trafficking. This topic does not have the same implication in Cuba as in other countries because our society does not engage in using, trafficking, or producing drugs. For other countries, however, it does have a serious connotation. Some of those countries are drug producers and are hard hit by the drug trafficking problem. Although we do not have this problem in our country, it is a very useful topic because the experience of countries that are victims of this situation can always be learned from. They are teachings that benefit us because Cuba is fighting hard to prevent drug trafficking from invading us. This does not mean, however, that we are immune to it or are exempt from it. It could happen to us. Our duty, therefore, is to prepare technically and to learn about the problem, to be able to wage an anti-drug program if necessary. There are isolated cases, however, involving tourists. It is not a problem that affects us to the extent it affects other countries, however.

Another topic, which has been very important, is the topic of the family, which was discussed in recognition of the international year of the family. In this sense, the essence of the debate has centered on children who are abandoned and on the problem of adoption.

Of course, such topics are discussed fundamentally from a legal standpoint, considering juridical aspects. In the case of the family, the social aspect also plays an important role. Cuba has had many years of experience in which it has dedicated much attention to minors and devoted much attention to working mothers, so that children can be taken care of. Legally, our laws recognize the adoption problem. We have a family code which provides for discussion of the topic with special relevance. This shows the importance the revolution has always placed on the family, as the nucleus of society. In this sense, Cuba was able to contribute to the discussion. We had the opportunity to explain our experiences. Our proposal was well received. Many questions were asked and we heard of situations that exist in other countries.

[Otero] Thank you, Cuban Justice Minister Carlos Amat, for your statements for Radio Havana Cuba.

Foreign Ministry Spokesman on Canadian Aid, Embargo

PA1406042294 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Jun 94

[Report by Barbara Betancur on statements by Miguel Alfonso, spokesman for the Cuban Foreign Ministry; from the "Evening Information Review" newscast; passages within quotation marks recorded]

[Text] Miguel Alfonso, spokesman for the Cuban Foreign Ministry, reported on the letter Cuban President Fidel Castro sent to Colombian President Cesar Gaviria.

[Alfonso] "He expressed our solidarity and said we share in their sorrow at this sad and difficult moment that Central America [as heard] is experiencing following the (?tragedy) in Huila and Cauca. As you know, a series of tremors have rocked that area and have resulted in heavy damage. In his letter, the commander in chief expresses to President Gaviria our feelings of fraternal understanding and adds that we share in their sorrow. At the same time, he says the Cuban Government is ready to send, at a moment's notice, an 18-person unit including doctors and technicians who are trained in this type of situation. The commander in chief has placed this unit at the disposal of the Colombian authorities should they need it."

I must add that the Cuban Public Health Ministry has formed the unit. Through its spokesman, the Cuban Foreign Ministry also expressed its pleasure with the recent statements by various international organizations regarding the lifting of the U.S. blockade against Cuba. Miguel Alfonso spoke, in particular, of Resolution 356 approved by the SELA [Latin American Economic System] Council.

[Alfonso] "This resolution is significant because it is the first time that SELA has approved a resolution directly rejecting something. As you know, SELA is an economic organization and all Latin American countries are members of this organization which Cuba helped found in 1970. This resolution, a copy of which you will receive shortly, not only supports the recent resolution issued by the UN General Assembly [UNGA]—as you know, the UNGA approved its resolution in November—but it also strongly urges the United States to lift the economic, commercial, and financial blockade on Cuba."

Likewise, Miguel Alfonso talked about the two paragraphs of the final declaration issued by the Nonaligned Movement's [NAM] ministerial meeting held in Cairo, Egypt.

[Alfonso] "Paragraph 161 strongly urges the expeditious and efficient implementation of the resolution that was approved not only in [words indistinct] but also in 1992 by the UNGA regarding the U.S. blockade of Cuba.

"There is another paragraph [words indistinct] in which the NAM foreign ministers call on the developed countries to put an end to the generic implementation of all the unilateral coercive measures against developing countries.

"I believe it is important we view this within a single context. These are not isolated things. The Cuban Foreign Ministry has observed that the international community is more frequently repudiating this measure which for more than 30 years has been affecting not only the economy but also the human rights of the Cuban people."

Alfonso also talked about the various lobbying actions conducted on Thursday by several U.S. congressmen, academicians, politicians, and members of nongovernmental organizations in favor of the lifting of the blockade.

[Alfonso] "I believe that the most important of these actions was the discussion of Cuba held in the U.S. Congress, specially in the U.S. Senate amphitheater. They talked about the situation the blockade creates for Cuba. The people who organized the day for lobbying in the United States had planned to hold approximately 35 meetings with U.S. congressmen, senators and members of the House of Representatives, to explain to them the impact the blockade has on Cuba and the need to adopt legislative and other measures to ensure that the blockade becomes something of the past."

In responding to several questions asked by reporters, Miguel Alfonso, spokesman for the Cuban Foreign Ministry, talked about recent statements made by the Honduran foreign minister, which were favorable for Cuba.

[Alfonso] "We have been seeing a series of reactions lately and it has become evident that it is no longer true that Cuba is isolated or that it is a country that cannot muster support and understanding from other countries. These reactions are coming not only from countries in the area, but from outside the continent as well."

Alfonso was also asked to appraise the meaning of the possibility that the Canadian Government will lift its embargo on Cuba.

[Alfonso] "We have learned that the Canadian Government will formally announce it will renew the aid it stopped a few years ago. This is significant because Cuba is confronting an economic situation and it does not take a genius to see that it is a difficult economic situation. This decision will contribute to improving the standard of living of the Cuban people. All aid to Cuba is very welcome."

These were some of the statements made by Miguel Alfonso, spokesman for the Cuban Foreign Ministry, during a meeting with the local and foreign media.

Vietnam Establishes Joint Construction Company

PA1406030794 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Jun 94

[From the "Evening Information Review" newscast]

[Text] Vietnam and Cuba have established a joint construction company called VIC, which is the first of this type for the two countries. The new company will have an initial capital of $6.6 million contributed in equal shares by the two parties. The creation of the joint construction company comes as part of the increase of economic relations between Vietnam and Cuba.

Delegation Arrives in Moscow After Kazakhstan Visit

FL1106180594 Havana Radio Reloj Network in Spanish 1509 GMT 11 Jun 94

[Text] Lionel Soto, vice president of the Cuban Council of Ministers, arrived in Moscow from Kazakhstan, where he examined with Kazakhstan authorities the state of bilateral relations. A member of the high ranking Cuban delegation told PRENSA LATINA that means for the development of economic-trade relations between the two states were analyzed. Lionel Soto was received by Kazakhstan Prime Minister Sergey Tereshchenko and met with high ranking officials of the parliament and the ministries of Foreign Affairs and Foreign Economic Relations.

PRENSA LATINA also reports that the Cuban delegation will remain in Moscow until next week when they will then begin a visit to Belarus.

Ross, PRC Labor Delegation Tour Research Plant

FL1006182594 Havana Radio Rebelde Network in Spanish 0900 GMT 10 Jun 94

[From the "Doing Radio" newscast]

[Text] Over 10,000 efficiency assemblies have been held in the country, it was stated by CTC [Cuban Workers Federation] Secretary General Pedro Ross in a meeting with a delegation of the All-China Federation of Trade Unions that is currently visiting Cuba.

Ross, who is also a member of the Communist Party of Cuba [PCC] politburo, explained to the labor union leaders of the friendly nation that the assembly process is a result of the Cuban workers' decision that labor unions become directly involved in the solution of problems at their enterprises in particular and the country in general.

Ross' statement was given at the Medical Biophysics Research Center, a leading institution in Santiago de

Cuba's scientific sector that is in charge of manufacturing equipment for medical diagnoses and research on diseases through the use of nuclear magnetic resonance.

Xiao Zhenbang, a member of the PRC delegation, congratulated the workers for their achievments, and he urged them to continue their vital research for the development of the island's pharmaceutical and medical industry.

Politburo Member Machado Attends Guantanamo Assembly

FL1106110094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 11 Jun 94

[From the NTV newscast]

[Text] Politburo member Jose Ramon Machado Ventura has participated in the District 27 progress report assembly in Guantanamo City. Machado witnessed an extensive debate with considerable participation by the people, who calmly suggested many ideas aimed at resolving shortages through local alternatives. Machado, who is Guantanamo Municipality's deputy to the National Assembly of the People's Government, was briefed on the efforts the population is making to recover from the recent rains, efforts not only in each neighborhood but also on the farms of the Segundo Frente Frank Pais contingent, which Machado also visited and praised:

[Begin Machado recording] This is heartwarming. Here, you can see the disposition and drive with which the people renew their work. [end recording]

Machado's tour of Guantanamo included an evaluation of a great number of Basic Cooperative Production Units, where the need to stabilize the work force was emphasized. The suggested solutions included improving living conditions, guaranteeing cost reductions, and increasing production.

Candido Palmero Congratulates Western Army

FL1306234394 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Jun 94

[Passages within quotations marks recorded]

[Text] Candido Palmero, first secretary of the Communist Party of Cuba in Havana Province, has sent a message of congratulations to the members of the Western Army on tomorrow's observance of the 33d anniversary of its creation.

[Palmero] "They have been a school for training cadres and communists. We, just as our people do, greatly admire and appreciate them for their revolutionary attitude and exemplary commitment to the work of the Revolution in these difficult times."

Palmero also highlighted the significant support of the troops in the province's agriculture.

[Palmero] "Approximately 2,000 members—generals, officers, soldiers—conducted the potato harvest, together with the Youth Labor Army [EJT]. Over 73 percent of the harvest was collected with enormous efficiency. Right now, the EJT is 50 percent of the entire labor force in the province. They successfully complete their tasks with fewer men and more efficiency and productivity."

Palmero pointed out the influence of the Western Army in the combat training of the people in the province.

[Palmero] "During these 33 years, this command has done wonders for the defense of the Revolution. One of the most historic and difficult struggles has been that many of us, a great number of the population—militants, workers, and farmers—fulfilled internationalist missions while in the service of the Western Army. Many comrades of this command gave their lives in other lands."

Brigadier General on Western Army's Combat Readiness

FL1306162094 Havana Radio Rebelde Network in Spanish 1100 GMT 13 Jun 94

[Studio interview with Brigadier General Raul Valle Valdez, chief of General Staff of the Western Army, by Roberto Cavada; from the "First Thing" program—live]

[Text] [Cavada] We have with us Brigadier General Raul Valle Valdez, chief of General Staff of the Western Army, as well as Brigadier Gen. Harry Villega, chief of the political department of the Western Army.

Good morning. I am reminded of Che, for Villega had much to do with Che's involvement in Bolivia. But we can discuss that some other time.

Let us begin with the Western Army's combat readiness. The effort and commitment—not only political commitment but also work commitment—required to maintain an Armed Forces such as ours during such difficult times has always concerned me. We cannot afford to lose the commitment, spirit, and combat readiness of our troops and militiamen and of the people, in general, since this is the Armed Forces of the people in uniform.

How has the Western Army maintained combat readiness? What initiatives has it taken to maintain such high combat readiness levels?

[Valle] The commander in chief, the Revolutionary Armed Forces [FAR] minister, and the leadership of the Cuban Communist Party and Government have always known this. The guidelines our commander in chief issued before the special period were aimed at finding cheaper solutions to maintaining our combat training and readiness level, in light of the fact that Cuba was heading toward an energy crisis that would affect every aspect of national life.

We began to work on this immediately. Keep in mind that the special period began around the time the mission in Angola was ending. That is when we arrived in Cuba. From that point on, the Western Army engaged in those tasks with the other armies. Today, the people's combat training is more solid than ever. There is a certain amount of expertise involved in training regular troops for combat today, thanks to trainers who look for ways to improve combat training methods at integral training ranges and at relatively smaller ranges. Command and control exercises and training and general staff's and chief's exercises upgrade cadre training. We have managed to make the soldiers' overall training much more efficient and have increased the recruits' basic training time from eight to 10 weeks allowing soldiers to arrive at their units with higher quality training. This has allowed us to maintain the Armed Forces' combat training and readiness levels despite the ongoing special period.

[Cavada] Yes. Above all, the austerity and commitment to continuing the training and to not lowering the combat training and readiness levels has prevailed.

I would like to discuss later the Western Army's 33 years and, specifically, how lately, due to the economic situation facing Cuba, the Army has engaged in productive tasks. Armies worldwide are unproductive state institutions which feed off the government and state budget. In Cuba's case, there has been a willingness and commitment to turn the army into a productive sector to benefit the army itself and the rest of the population.

Labor Official: $1.7 Million Invested in Social Security

PA1306212394 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Jun 94

[From the "Cuban Panorama" newscast]

[Text] In 1993, Cuba invested more than $1.7 million in social security , some $4 million every 24 hours. [sentence as heard] Orlando Penante, social security director of the Cuban Labor Ministry, has indicated that those figures do not include the costs of social assistance programs, which amount to another $35 million. Penante stated that despite the economic hardships Cuba is facing, the number of retirees and pensioners covered by the social security system has increased in the 50 years of the special period in peacetime. The number of subjects covered by social security also surpasses the funds allocated for this purpose.

Sergio Soto Refinery To Produce Transformer Oil

FL1006164294 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Jun 94

[Commentary by Fernando Davalos from the "Exclusive" program]

[Text] On this occasion I do not want to add another word to a news item that appeared recently on the inside pages of GRANMA, lost among other news with more appealing headlines. This information, however, is a bombshell. The dateline on the item is Cabaiguan, Sancti Spiritus Province, and in its first paragraph, the leader as we reporters say, informs that the Sergio Soto Refinery has produced, for the first time, oil for electric transformers. This oil is used within the transformers, vital electrical equipment used for transmitting and distributing electricity. This is an extraordinary accomplishment, not because it is a first, but because it is an expensive resource that Cuba has been forced to import. Cuba has had to and has to import it because without transformers there is no electric energy going anywhere. Therefore when the production of this oil increases and stabilizes we will be freed from a heavy burden.

Reporter Juan Antonio Boreu's news item was very extensive. I believe it is loaded with new and good things, in a little over a column. We turn each line written into a good commentary.

The reporter from Cabaiguan informs that this small refinery, founded before the triumph of the Revolution, where gasoline was produced and marketed under the name of (Reca), now produces the I-12 oil, oil used in the production of industrial oils; (Termosic) oil, a special oil used by industrial plants; (Fibrasin) oil, used in the production of rope; and the (Sigrafic) solvent used in the cleanup of printing equipment.

All these products are very expensive in terms of hard currency. Their production in Cabaiguan is an important event. The report points out that at the refinery's basic oils plant, the only one of its kind in Cuba, cooling oils are produced from water used in cleaning. This product, of fundamental importance, is used in tooling equipment.

The Sergio Soto Refinery has also achieved the neutralization of its highly corrosive and polluting level of residual discharges. The refinery converted the discharges into another energy resource which fuels the nearby Siboney Cement Factory.

What more can be said, things speak for themselves. We see here several things, the first of which is the skill and determination of the refinery's technicians and workers, which should be praised. There is something here that I have not mentioned but which is essential: If the special basic oils produced by the refinery were to be imported, as we have done before, they would be very expensive, if available on the market at all. These oils are produced here thanks to the petroleum obtained from Ciego de Avila's Pina oil deposit, of excellent quality. This new oil field, discovered two years ago, has not been characterized by huge production but by the low density of its crude oil, which makes it ideal for the production of these lubricants.

I believe I have been unsuccessful in my attempt to not add words to this information sent from Cabaiguan, yet

it was not bad to repeat it, especially because it was good news. Not because it was well written but because it contains elements that denote the struggle of our people to move forward in the midst of the special period.

Waterworks Official on Critical Problems, Needs

FL1006164194 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Jun 94

[Interview with Lourdes Mijan, province director for aqueducts, sewers, and culverts, by correspondent Heidi Gonzalez Cabrera at Arroyo Naranjo Municipality; for the "Exclusive" program—live or recorded]

[Text] [Gonzalez] We are here at Arroyo Naranjo Municipality, where we have an appointment with Lourdes Mijan, province director for aqueducts, sewers, and culverts. She has kindly accepted our request for a meeting. Lourdes, we have received many telephone calls since yesterday. I will summarize them so you can provide the answers. The people ask about possible programs for the elimination of public faucets; the outrageous prices charged for water supplied by water tank trucks in zones where there is no water—people are really feeling the effects of this; and the possibility of repairing the cracks that have appeared at the Vento Canal. That is all for now.

[Mijan] Well, referring to your first question, I must tell you we have a program for the elimination of public faucets. The program began many years ago with the creation of local aqueduct brigades in each of the people's councils. These local brigades began to work but their work is currently curtailed by the lack of resources. We expect to solve certain problems concerning the availability of materials for the aqueducts beginning the second semester of 1994—through a credit from France to the Institute of Hydraulic Resources. Some of our most critical problems involve the lack of galvanized pipes and copper pipes. I believe we are not in a much more critical situation thanks to the efforts exerted by the local aqueduct workers and the presidents of the people's councils, who strive to help us, as well as the industries, the aid, and all the other factors. We hope we will be able to have the minimum amount of materials in a short time to solve the most critical problems we have concerning public faucets on the streets.

There is also a support program for the faucets installed in larger pipes. In fact, I can announce the Micons [Construction Ministry] will help us (?locate) some of the faucets installed in larger pipes. Specifically, the Micons delegation in Havana will help us solve the problem concerning faucets on the main pipe in Ariguanabo and the main pipe from El Gato acqueduct, which currently faces a critical situation. We are also preparing a program with the Institute for Hydraulic Resources and the Havana authorities to get some urgently needed resources. We expect this will be solved in a few days. Thus, we will recover the losses—considerable losses—currently experienced by the acqueduct. We believe this will improve the water supply to the city.

[Gonzalez] What about the water tank trucks?

[Mijan] The service rendered by the acqueduct's water tank trucks is free and anyone who violates this is liable to be fined and expelled from his post. The water tank trucks have a big sign which says free service and that is how it should be rendered. Many times they are not water tank trucks from the acqueduct and in other cases the people agree to pay a high price for the water—yet they do not want to report the one who incurs in the violation. We urge the population to report the license plate, the driver's name, the information they can get; and we are willing to guarantee the people that we will strictly deal with whoever uses the people's needs to earn a profit.

[Gonzalez] We believe you have been very considerate toward us but I would like an opportunity—in a future meeting, in the near future—to talk with someone from the sewer department to talk about a very unpleasant topic—the (?holes) and drainage ditches we have all over the city. Is that possible?

[Mijan] Of course. I think Engineer Carlos Menendez, our assistant director for sewers, would be willing to do that. We will instruct him to answer the questions you have from the people, from the program's listeners, on this topic, which is also an important topic and which affects the people very much.

[Gonzalez] Very well. We believe you and we thank you very much for the time you have given us. We will talk about the Vento Canal on another occasion. It deserves a special time. We have not forgotten it. Well, that is all for today, my friends. We thank Lourdes Mijan for all the time she has granted us. She will return to the meeting from which we brought her out. We will return tomorrow.

Union Issues Electricity Generating Capacity Report

FL1006210494 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Jun 94

[Text] The Electric Union has issued a detailed report on electricity generating capacity, pointing out that increased capacity meant shorter outages last week. The Electric Union predicts that the system will continue behaving like this until 15 June. The report also notes that the average deficit was reduced significantly between 2 and 8 June and that the electrical generating level in the last few weeks has exceeded what was expected, increasing consumption of fuel reserved for that purpose.

The truth is that the situation today is very different from that in April, when the outages were prolonged due to breakdowns at power plants without adequate maintenance program. The generating capacity now increases daily. It was also confirmed that Mariel Power Plant

Unit 6 has been reincorporated into the national electrical network. This unit, which can generate 100 megawatts, was off line for more than a year while Cuban specialists completed their complex reconstruction task.

Doctor Addresses Seminar on AIDS Vaccine Research

FL1006202294 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Jun 94

[Text] Dr. Gustavo Sierra, who helped discover the menininigitis-B vaccine, has said that Cuban research into an AIDS vaccine is progressing. Sierra told Latin American delegates to the Second Infectious Diseases Seminar that many researchers believe such a vaccine will be found by the end of the century, while others believe it will be found much sooner. Sierra went on to say: We are sure of one thing. If we are not among the first, we will not be the last and we will not give up.

TRABAJADORES Discusses Price Hikes, Production

FL1306170394 Havana Radio Rebelde Network in Spanish 1100 GMT 13 Jun 94

[From the "First Thing" program]

[text] The 13 June TRABAJADORES features an editorial on the effects that increased prices and fees for some products and services are having on salaries. Money lacks value when it does not have the backing of goods and services because real income does not depend on the amount of circulating currency but on its purchasing power. TRABAJADORES adds that the black market is a parasitic and unproductive economy since it does not help to produce more goods, which is what is needed to increase supply. Our country is developing an economic outline of its own, and every measure must be seen as linked to others. The goal is to boost work, but for the moment this is not possible because production is limited due to lack of resources and raw materials. Steps are being taken on performance incentives on tourism, agriculture, mining, transportation, energy, and the sugar industry, among other sectors. TRABAJADORES also points out that formulas to stimulate production can be found in each workplace, without forgetting that the goal is to revalue the currency.

'Straight Talk' on Deregulating Cigarette Sales

FL1106011894

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 10 June carries a 15-minute edition of its regularly scheduled "Straight Talk" program, with Eloy Concepcion, from TRABAJADORES newspaper, and host Osvaldo Rodriguez, from BOHEMIA magazine.

Rodriguez opens the debate by stating that measures increasing prices and deregulating sales of cigarettes and rum have significantly influenced the market and buyers. Concepcion states that consumers and speculators have not hoarded these products since they went on deregulated sale. He adds that many people feared the cigarettes were stale but this is not the case. The warehouses had stockpiled cigarettes to ensure that supply would meet demand. Concepcion adds that speculators are holding back, given that the media has reported the factories have the conditions to continue producing 50 million cigarettes a day.

Rodriguez states the fight has been won as long as the cigarette industry is able to maintain the flow of production. Concepcion states that he believes that after years of gratuities, the first big lesson the people have learned is to be aware of home and personal finances. He adds that the basic quota of four boxes has gone from costing 20 cents each to costing 2 pesos each, and the two additional boxes were 1.6 pesos each and now cost six pesos each. Concepcion adds that rum has gone from 7.2 pesos to 13.75 pesos, and that next September the cost of electricity will increase and transportation and water services have already been increased in order to mend the national finances. He adds: "We have to say it clearly. This affects the people's pocket. The Cuban people will learn to live on a budget, which is something we never thought about because the state took care of us."

Concepcion goes on to say that the current tobacco harvest has been outstanding, adding: "This year's tobacco crop is a slap in the face to those who think that socialism is incapable of organizing efficient agriculture."

Rodriguez states that the measures have benefited smokers because the black market can no longer charge 30 pesos for a box because consumers can now buy three boxes for 30 pesos. He adds that undoubtedly the people will have to learn to live on a budget and that near the cigarette factory in Ranchuelo, people are illegally selling cigarettes stolen from that factory in the streets and that the factory's workers, management, party cell, and union representatives have to solve that problem.

Rodriguez closes by stating that stealing from the cigarette factories is widespread, adding: "As long as this lack of control prevails, we will not be able to sustain a stable production."

Roundup of Economic Developments

FL1106144894

[Editorial Report] The following is a compilation of reports on Cuban economic developments monitored from Havana radio and television sources in Spanish between 6 and 10 June:

Havana Radio Rebelde Network in Spanish at 0900 GMT on 6 June carries a report on the Arturo Almeida Credit and Services Cooperative in Las Yeguas, a rural settlement in Aguada de Pasajeros Municipality, Cienfuegos Province. Foreman Roberto Gonzalez Santana says their main crop is sugarcane, but they also have cattle. He adds that the sugarcane harvest has just

concluded and their yield was 53,000 arrobas per caballeria, which is considered very high. He also talks about milk production, which is very low—only 5 liters per cow—due to the dry season.

Radio Rebelde Network in Spanish at 0900 GMT also features a financial report on Cienfuegos Province enterprises during the first semester. The information reveals that "46 enterprises were profitable, but a similar amount reported losses, adding that employment and salary figures registered in 1989 remained the same in 1993, but that production dropped 40 percent. The tendency to pay subsidies increased." The report says efforts to solve this situation include allowing the municipal authorities to manage their funds, thus enabling them to prevent squandering and to increase revenues.

Radio Reloj at 1339 GMT on 6 June reports that the joint Cuban-Spanish enterprise Gaviota S.A. plans to build in Cayo Guajaba, Camaguey, a four-star, 1920's-style sea resort which, by the peak of the 1995 season, will comprise 80 cabanas.

Radio Rebelde at 0900 GMT on 8 June reports that agricultrual workers in Guantanamo are striving to lower production costs by harvesting plantains before they ripen. So far they have harvested 85,000 quintals of plantains.

Radio Rebelde at 1700 GMT on 8 June reports that "Farallon del Caribe" hotel in Granma Province has collected more than $600,000 since its inauguration in November.

Radio Rebelde also reports that construction workers of the Jose Maceo contingent in Santiago de Cuba and workers of the geology-mining enterprise in Oriente work 14 hours per day to repair the salt mining enterprise in Caimanera. This plant, which produces more than 75 percent of the salt consumed in Cuba was affected by the floods of May.

Radio Rebelde at 1700 GMT on 9 June reports that the Mexican Embassy in Cuba donated more than 400 books to the Jose Marti Library in Havana.

Radio Rebelde at 1700 GMT on 9 June reports that the bakers union of Madrid and bakers union in Havana signed document of intention for cooperation this area between the two cities. The document establishes the holding of seminars and conferences.

Radio Rebelde at 1700 GMT on 9 June reports that Las Tunas Province has planted 1,852 caballerias of vegetables, fruits, and tubers, which is the highest level of its history and equivalent to 84 percent of its territory. Of the 1,852 caballerias, 960 are plantain crops.

Radio Rebelde at 1700 GMT on 9 June reports that the approximately 8,000 self employed workers in Pinar del Rio Province contributed more than 1.5 million pesos so far this year. Despite this, the average income per capita remains low, according to specialists.

Radio Rebelde at 1700 GMT on 9 June reports that food, medicine, school materials, and medical equipment arrived today to Cuban ports from Vigo, Spain, on board the Cuban ship Rio Jibacoa. Jose Ramon Fernandez, vice president of the council of Ministers, received the donations made by different solidarity groups from Galicia. In addition to the aforementioned goods, the donation also includes five vehicles, including a truck. Another donation consisting of 23 packages of medicine also arrived on board the ship, which was donated by the Miguel Hernandez Friendship Organization.

Nine of Havana Province's 19 municipalities are self-sufficient in terms of food production, and they have allocated 202 caballerias to help increase the amount of food available for the population.

Radio Rebelde at 1700 GMT on 10 June, citing an AFP report, says that the Cuban Government has asked the president of the Peruvian Rice Growers Association for 100,000 tonnes of rice in exchange for cattle, medicine, and equipment.

Dominican Republic

Defense Minister Views Adherence to Embargo

PA1306215894 Madrid EFE in Spanish 1951 13 Jun 94

[Text] Dajabon (Dominican Republic), 13 Jun (EFE)—Hundreds of Haitians were unable to cross the border into the Dominican Republic today, while Dominican Defense Minister General Constantino Matos Villanueva was in the area. The minister traveled to the region to oversee the implementation of the UN embargo against Haiti.

Meanwhile, Genaro Paulino Alvarez, the Dominican consul in Quanaminthe, Haiti, told EFE that the Haitians "are dying of hunger, because the very poor are the ones suffering the hardship of the embargo." He asked that they be allowed to sell their goods in the Dominican Republic. Quanaminthe is located 3 km from Dajabon, within the Haitian border.

The consul said that despite the fact the Haitians were "very patiently waiting" for the Dominican military to allow them to cross the border to purchase food and medicine, the presence of the defense minister made this impossible.

Since the coup d'etat in September of 1991, the Dominican authorities have allowed the Haitians to cross every Monday and Friday to buy and sell in the Dominican border communities. This was suspended at the end of May, when the total embargo, imposed by the international community, went into effect.

The consul added that Dominican soldiers opened the border for two hours last Friday for the Haitians to sell their goods. Alvarez, who is also the Dominican Republic's commercial representative in the area, said many Haitians have asked him to allow them to go into these

Dominican communities to prevent their children from "dying of hunger." He admitted that many Haitians do defy the "sealed border." They try to bypass the military in order to get to the Dominican stores mainly to buy food.

The Dominican diplomat explained that about 2,000 Haitians would come to Dajabon every Monday and Friday to sell clothing, liquor, household goods, and other items. They would then buy food. When the border was completely open, however, more than 1,000 Dominican citizens would cross the Haitian border to shop in Quanaminthe every Saturday and Sunday.

Alvarez said that during the rest of the week, citizens from the two countries that share La Espanola Island maintain a constant flow of trade that allows the Haitian population to purchase food and medicine.

Haiti

Jonassaint's 12 Jun Address to Nation

FL1306220094 Port-au-Prince Television Nationale d'Haiti in French 1635 GMT 12 Jun 94

[Address to the nation by provisional President Emile Jonassaint; passages within italics in Creole—recorded]

[Text] Men and women of my country: I have decided to address the nation tonight. It is a serious moment. Haiti, our country, is in great danger. Reviled, ridiculed, humiliated, and strangled, Haiti risks invasion and occupation. I appear before you tonight with certainty and faith, determination, and the courage of men of peace and goodwill. As president of the Republic—the one who is primarily responsible for the nation's fate—it is incumbent upon me to fully assume the responsibilities of our time before the Haitian people and the international community. Without beating about the bush and with all the necessary serenity, and invested with all the authority of my office, I clearly state that history, the Constitution, and the permanence of our deep values forbid me from giving in to threats, and imperatively orders me to defend, by all means, the imperiled fatherland. It will be defended.

Tonight, I come to ask you—all quarrels and disagreements aside—to mobilize for the defense of our country. I solemnly declare that Haiti will not give in. Haiti will not submit to orders from foreigners. Haiti will face them. I have demanded and have obtained the provisional government's word that it will take all measures to ensure our survival as an independent and fully sovereign nation. Thus, a state of emergency is declared. A series of government measures will go into effect immediately. I order the Haitian Armed Forces commander in chief to guard against all possibilities.

Haitians who have forgotten their patriotic duty and have joined with foreigners to demand the invasion and occupation of our sacred land, again enslaving the Haitian people, further adds to the excessiveness of our tragedy. I feel sorry for them. I ask you to overcome this painful treason. Haiti cannot and must not die. Tonight, I ask you to preserve the heroic legacy of Toussaint Louverture, Jean-Jacques Dessalines, and Alexandre Petion. I ask you to move proudly toward this period of resistance, the royal path carved by our ancestors. Together, may we write this new chapter, surpassing ourselves with renewed dignity and the celebrated unity of all social forces in this country!

May it be said that the men and women of this country will fervently relight the torch of resistance to foreign invaders and unflinchingly undergo the constraints of this time of struggle and heroic uprising [marronnage heroique]! May it be said simply that we have greater commitment to our responsibilities and the requirements of our time! In these tragic moments of the national life, I ask you to keep cool and to attend to your daily affairs as usual. On the other hand, it is the responsibility of all of us to remain mobilized and vigilance for the sake of unity and determination, like the ancestors, to struggle to the death in ensuring the country's defense before the enemies.

From now on, may each man and woman in this country take responsibility for the endangered fatherland. The honor of a country cannot be divided. Enlightened by the shades of our ancestors, enlivened by the sources of our beliefs, mobilizing all the resources of our ancestral strategies, we again find ... [pauses] we will reclaim the dignified legacy of the illustrious runaways, the obscure blacksmith of our freedom.

On behalf of the Haitian nation, I thank all those nations that have refused to give in to the immorality, the arrogance, and the perfidy of a certain international community, to those that have relieved us of our misfortunes. May God and the protecting gods of the homeland help us in our quest to go beyond ourselves. Courage! We will manage to reach that together.

Haitian men and women, I am obliged to appear before you today to say a few words as the country is in danger. We have been aware of the propaganda against us for a long time, but today it is worse. A giant that can destroy us in five minutes because we are weak and do not have atomic bombs has declared war on us even though we have done nothing against it. Why? I have heard it is because they want to restore democracy in this country. Where was that democracy? I never knew about that democracy.

During the 1990 elections, I was a State Council member. I also took the candidate for whom everybody was voting seriously, and voted for him myself. Today, I am obliged to say that. But I am ashamed of having voted for him because today, a Haitian [Aristide] who was always referring to Charlemagne Peralte, Dessalines, and so on, and who was always criticizing those with whom he is today cohabiting, is imploring those people to come and invade Haiti, to reduce us to slavery.

Everyone has the right to vote for the one they want. I too voted for the person I wanted. But I do not think that any Haitian can accept another Haitian asking that Haiti be reduced to slavery. It is not possible. This is why we say no, this is impossible. I remember the words General Henri Christophe said when Gen. Leclerc appeared in the Cap-Haitian harbor. Leclerc asked Christophe to lay down weapons, but Christophe replied as follows: You will enter Cap-Haitien after all cities... [pauses] after the whole country is burnt, and I will still be fighting you even on the ruins. A Haitian Army officer said the same thing recently. Well, today, I repeat it as well. We cannot give in to anyone. We acknowledge that Haiti is weak and that we cannot fight against giants because we do not have atomic bombs that we could drop on their countries. If they knew we had atomic bombs, they would all respect us. But today, they have dropped in on us. They want to come and destroy us, to reduce us again to slavery. Why? We do not know. For democracy? Was there ever any democracy? *When it was asked to burn people with tires, I was ashamed. I never knew Haitians could reach that level of savagery. I always knew Haitians as docile people who loved everyone, loved one another. They [not further identified] make them hate one another now. That is no longer possible. Today, we are tired of that. I believe we must all unite because we cannot return to slavery. That is not possible. And those who want to make us return to slavery, they themselves should come here. They do not know what kind of negroes they are dealing with.*

Several foreign journalists came to question me lately. I told them Haiti does not have the atomic bomb, but Haiti has better than that. Haiti has guardians they do not know, and the day the guardians intervene, get involved, then everyone will ask where they had been, where they came from, who they are. The foreign journalists came to ask me, and I told them that. Many people will be surprised. Many cities may disappear, and no one will understand. They think anyone can do whatever he pleases in Haiti. That is not true. We all know that, and you all understand very well what I am telling you.

Everyone who is able must help. And I know that everyone will help. We will see what will happen. We cannot bend before the enemy. We cannot let them destroy us. They can reduce us to ashes in a few minutes, as I told you. We do not have the means to defend ourselves. We do not have enough weapons. We are a small goat before a lion. They can devour us in a moment. But, only if God wishes it. We know the word: (Agarou) says, if God wishes it!

The people, the Haitians who ask that we be invaded, what are they themselves doing abroad? For two and a half years, they have been wasting the country's money, giving it to white Americans while we Haitians are dying of hunger. They did not do anything for us. The Taiwanese Government gave them U.S. $2 million. How much did they give us? We all know who benefited from that money. We did not receive anything. We did not get even a gourde. Therefore, I do not think today that we can stand up and let foreigners invade us because of a criminal who burns people. I do not know where he got all the bad things that he carries in him. He chose the wrong road. We cannot follow him on the road he has chosen. We have chosen the right road because we know that we do not make many of the things happen that happen. We are not alone on this earth and every Haitian knows that.

Once there was an OAS director general who visited Haiti. I believe his name was (Alejandro Ofila). He paid a visit to one of the big newspapers in Haiti. As he was leaving, he told the director [as heard]: They say, Director, that your country is poor. But what amazes me in Haiti is the human warmth and spirituality in all Haitians. Haitians have something in their eyes that no other people have. This is someone who had traveled around the world. I believe that what he said is true. I wrote something in French at that time. I said: Honor to this great man who knew how to look at us, not with physical eyes, but with the eyes of the spirit because the spirit sees farther than physical eyes, which are nothing. The physical body is nothing. It can be destroyed. But no one can destroy spirit. That is all I wanted to tell you. I believe we will all unite to defend the country. Toussaint Louverture Dessalines, Christophe, Petion, Capois-la-Mort said no, this cannot be done. Today, we are obliged to say the same thing. We know they can destroy us. We do not have enough weapons to defend ourselves. But, we have possibilities that they do not know. They may face misfortune. Only God knows!

I will not stay too long because I know that you need many things. At one time, that government was trying to help you, but now they are talking to us about invasion. They are going to invade us. Why? What did we do to the white men? Nothing. Haitians did not do anything to the white men.

To restore democracy in the country. Was there democracy in Haiti? Has democracy ever existed in Haiti? I do not know what the foreigners call democracy. Perhaps, they have democracy in their country. Yet, in their country, negroes do not have rights. It is only now that negroes, more or less, have rights in their country. Then, what does that mean? So now they can defend negroes—to bring the little negro [Aristide] back to Haiti. Why does this little negro not come by himself? If he is really strong, why does he not come? He has given all the money he is spending to Americans. He has given millions of Haiti's money, which was saved abroad, to one American.

Do foreigners have the right to do that? This is a crime they have committed against us because we are weak. They have taken advantage of us. But they do not know that they will not endure for long because of that. Look and you will see that what I say will happen. They think Haitians are a little thing. Yes, Haitians are nothing. But all Haitians have behind them a lot of things that they do not know about. They will realize this before long.

All those who harmed Haiti have succumbed. There is a certain president who is now in jail for theft. He was leading the group who were saying that Haiti should be

destroyed. Where is he? He is in prison for theft, for a bad cause. Others have fallen; others will fall. They even have many problems in their own countries. We must know that, too. They see fleas on us because we are thin dogs while they have big ticks walking on them in their country. They are not serious, they are not more serious than we are. Then, it is only that I was telling you. I ask all of you to unite, to remain mobilized in order to defend the country.

If they destroy us, we will all die together. Haitians never fear death. I (?remember) when I went to take the oath at parliament, I saw the Independence Act. It began: Freedom or death. Haitians can no longer live in slavery. Either we die, or we remain free. But they will cool before long, you will see, and I say thanks to you.

National Assembly Resumes Session Without Ceremony

FL1406001694 Port-au-Prince Radio Metropole in French 1600 GMT 13 Jun 94

[Text] Parliamentary activities have resumed on this second Monday in June. The opening of the eighth session of the 45th Legislature will begin without ceremony, however, according to Senator Firmin Jean-Louis, who cites the situation of insecurity to explain the impossibility of holding a session in parliament today [13 June].

Government Guarantees Security of Foreigners

PA1406005494 Madrid EFE in Spanish 0002 GMT 14 Jun 94

[Text] Port-au-Prince, 13 Jun (EFE)—The de facto government of Emile Jonassaint issued a statement today, although it is dated Saturday [11 June] and was released a few hours after the declaration of the state of emergency throughout the country, that it guarantees the security of foreign citizens in Haiti.

The Information Ministry asked foreigners to carry out their normal activities. At the same time, the de facto government rejected statements by the international civilian mission of the United Nations and the OAS, which charged that employees of the international mission were attacked by armed civilians on 7 June.

Mobilization Group Seeks New Army Chief, Government

FL1406004194 Port-au-Prince Radio Metropole in French 1600 GMT 13 Jun 94

[Text] A political organization, Revolutionary Cohort has set down some conditions for defending the national territory in case of foreign invasion. Moreover, the organization's spokesman, Wesner Morency, recommends the resignation of the Army commander in chief and the formation of a national coalition government with a prime minister.

[Begin recording, in Creole] [Morency] Whatever the situation that makes this person or that person chief, we are now on alert. Whether I am for or against, if bullets begin pouring down on my roof, I must counterattack. Self-defense, however, requires unity of command and morality within the command. Can we in the Revolutionary Cohort afford to create a wait-and-see policy, with those men later dragging us through the mud and drowning us underwater. For me to respond to this state of emergency, I must set down some conditions.

The first condition is to replace Cedras. It is a fact that he cannot command a battle, as the president has asked him to do. The president said: I ordered...

We are also saying that we must dismiss this government. This government does not represent anything. There are many trends within the country and they must be respected, whether they are majority or minority, so establish a national coalition government with a prime minister.

The third element is since he, Jonassaint, is talking about stateless people, mercenaries, we say no. The Haitian state uses three means of mass communication: newspaper, television, and radio. You have problems with mercenaries and stateless people, but they are competent. You must recognize that they are competent. It is necessary to oppose competence with competence, not with mediocrity.

[Reporter Renois] Does the president of the country, in the face of a threat of intervention—as you said it, whether you like him or not—not have a duty to call for mobilization and unity?

[Morency] He has the duty. But once he does it, the person he is fighting will say, here are my conditions. It is his duty. But once he does his duty, I must do my duty as well. My duty is to tell him: You want it. You are doing it. Here are my conditions for it to succeed. [end recording]

International Organizations Report FRAPH Attacks

PA1406042094 Mexico City NOTIMEX in Spanish 0316 GMT 14 Jun 94

[By Edwige Balutansky]

[Text] Port-au-Prince, 13 Jun (NOTIMEX)—Representatives of international organizations in Haiti reported here today attacks on their personnel by members of the Revolutionary Front for the Promotion and Progress of Haiti (FRAPH).

The officials of these organizations told the media that they do not want to travel in the official vehicles of their organizations because the FRAPH violently confiscates them. It was learned last week that customs personnel at the Haitian international airport confiscated, without apparent reason, bulletproof vests and uniforms from members of the U.S. Marine Corps.

Regarding the topic, the (?mysterious) confiscation of communications material and defense weapons was made by regular military forces and not by "armed civilians as the alleged civilian mission affirms." "This material has been confiscated because it was not registered anywhere," the communique stated.

This weekend, two individuals who identified themselves as FRAPH members violently seized an official vehicle from a 64-year-old driver. The FRAPH is a paramilitary group linked to the Haitian Army. It has been identified by the OAS-UN Civilian Mission and international organizations as responsible for the violence and the repression of popular organizations and supporters of ousted President Jean-Bertrand Aristide.

Meanwhile, airplane tickets for flights through 25 June have sold out. That is the date when the United States will suspend its commercial flights to Haiti. Air Canada has already canceled its flights effective this Monday and announced it will make a special flight on Wednesday in response to the Canadian Embassy's recommendation to Canadians to leave the country before 25 June.

Political observers have expressed surprise that the price of gasoline has dropped at a time when it is said the border with the Dominican Republic is closed to prevent the entry of fuel. Gasoline vendors in Port-au-Prince explained to Radio Tropic that they have no difficulties obtaining the fuel because it is brought across the border at night when there is no surveillance.

Government, Vatican Sign Food Aid Agreement

PA1306235094 Paris AFP in Spanish 2253 GMT 13 Jun 94

[Text] Port-au-Prince, 13 Jun (AFP)—Official sources in Port-au-Prince today announced that the Vatican signed an aid agreement with the government of President Emile Jonassaint (not recognized internationally). The Haitian Ministry of Information reported that the agreement, signed on 27 May in Italy by the Holy See and representatives of the acting Haitian Government, establishes that the Holy See will deliver 75,000 tons of wheat worth $32 million. A communique issued by the Ministry of Information states that "the acting president (Jonassaint), on behalf of the people of Haiti, who have been subjected to a criminal and unjustified blockade, thanks the Vatican and Pope John Paul II for their understanding and growing concern."

According to diplomatic sources in Port-au-Prince, this agreement recognizes the Haitian regime, installed following a coup d'etat that overthrew President Jean-Bertrand Aristide, a priest, on 30 September 1990. The Vatican approved the removal of Father Aristide from the Salesian Order shortly before he assumed office "for inciting violence and class struggle." In 1992, the Vatican recognized Joseph Nerette's acting government (without international recognition).

The Haitian clergy is experiencing serious division between its hierarchy and some of its rank and file, who are members of the "Ti Iglesia" and faithful to Aristide. On 7 January 1991, during a foiled coup attempt led by former "Tonton Macoute" leader Roger Lafontant, alleged followers of Aristide burned the Apostolic Nunciature and humiliated the nuncio.

The Catholic Church hierarchy in Haiti has issued periodic condemnations of the embargo decreed to force Haiti to return Aristide to power because it believes the sanctions represent much suffering for the Haitian people.

Second EZLN Lacandona Jungle Declaration

PA1306130394 Mexico City LA JORNADA in Spanish 12 Jun 94 pp 7, 8

["Text" of the Second Lacandona Jungle Declaration issued by the Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army "from the mountains of southeastern Mexico" in June 1994]

[Text] Zapatist National Liberation Army [EZLN] Mexico

Second Lacondona Jungle Declaration

Today we say: We will not surrender!

"...it is not only they who carry swords, who shed blood, and who emit radiant rays of military glory who are chosen to choose the personnel of a government for a people who want to democratize themselves; it is also the right of citizens who have fought in the media, who are identified with the principles of the revolution, who have fought the despotism that is undermining our laws because it is not only by firing bullets in the battlefields that tyrannies are defeated; it is also by launching ideas of redemption, expressions of freedom, and terrible curses against the executioners of the people that dictatorships and empires are overthrown (...) and if the historic facts show us that the demolition of all tyrannies, that the overthrow of all bad governments is the joint work of the idea with the sword, it is an absurd thing, it is an aberration, it is an outrageous despotism to want to segregate the healthy elements who have the right to elect the government because the sovereignty of a people is made up of all healthy elements who have a full awareness of their rights, whether they are civilians or accidentally armed people, but who love freedom and justice and work for the good of the fatherland."—Emiliano Zapata in the voice of Paulino Martinez, Zapatist delegate to the Sovereign Revolutionary Convention, Aguascalientes, Mexico, 27 October 1914.

To the people of Mexico:
To the peoples and governments of the world:

Brothers:

The EZLN, on a war footing against the bad government since 1 January 1994, addresses you to explain our thoughts:

I. Mexican brothers:

In December 1993, we said ENOUGH! On 1 January 1994, we called on the legislative and judicial branches to assume their constitutional responsibility to prevent the genocidal policy that the federal executive branch is imposing on our people, and we based our constitutional right by applying Article 39 of the political Constitution of the United States of Mexico:

"The national sovereignty essentially orignates with and resides in the people. All public power comes from the people and is instituted for the benefit of the people. The people have, at all times, the inalienable right to alter or modify its government."

This call was answered with an extermination policy and lies. The branches of government disregarded our just demands and allowed the massacre to be carried out. But the nightmare only lasted 12 days, because another force, superior to any political or military power, prevailed over the parties involved in the conflict. Civilian society assumed the duty of preserving our fatherland; it expressed its disagreement with the massacre and forced a dialogue. We all understood that the days of the eternally ruling party, which uses for its own benefit the product of the work of all Mexicans, cannot continue any longer, that the presidentialism that supports it inhibits freedom and cannot be allowed, that the fraudulent culture is the method by which democracy is limited and suppressed, that justice only exists for corrupt and powerful people, that we must make those in power learn how to obey, and that there is no other way.

This is something all honest Mexicans and all goodwilled civilian society has understood. The only ones who are opposed are those who have based their success on stealing public assets; those who protect drug traffickers and murderers, thereby corrupting the justice system; and those who resort to political assassinations and electoral fraud to impose their wills.

Only these political fossils are planning to return to Mexico's past and to erase from the national conscience the shout that the entire country has cried out since 1 January 1994: ENOUGH!

We should not let this happen. Today, we are not calling upon the government's ineffective branches that failed to fulfill their constitutional duties by allowing the executive branch to control them. Although the current legislators and magistrates have been undignified, others will come who will understand that they must serve their people and not themselves. Our call goes beyond a six-year administration or an approaching presidential election. Our sovereignty rests upon CIVILIAN SOCIETY; people are the ones who at any time can alter or modify our form of government, and have already decided to do so. It is the people to whom we issue a call in this.

SECOND LACANDONA JUNGLE DECLARATION

We say to them:

First: We have faithfully complied with conducting military actions within the framework of international agreements on war. This has given us the tacit recognition of nationals and foreigners as a belligerent force. We will continue honoring those agreements.

Second: We have ordered our regular and irregular forces throughout the national territory and abroad to observe a UNILATERAL EXTENSION OF THE CEASE-FIRE. We will continue to respect the cease-fire TO PERMIT

CIVILIAN SOCIETY TO ORGANIZE IN WHATEVER WAYS IT DEEMS BEST TO MAKE POSSIBLE THE TRANSITION TO DEMOCRACY IN OUR COUNTRY.

Third: We condemn the threat to civilian society posed by the country's militarization with personnel and modern repressive equipment prior to the upcoming federal elections. There is no doubt that the government of Salinas de Gortari will try to succeed through the culture of fraud. WE WILL NOT LET THIS HAPPEN.

Fourth: We propose to all independent political parties that they now recognize the intimidation and denial of political rights our people have suffered for the past 65 years and that they demand a government of political transition toward democracy.

Fifth: We reject manipulation and the attempt to separate our just demands from those of the Mexican people. We are Mexicans and will not give up our demands or our weapons until we have achieved democracy, liberty, and justice for all.

Sixth: We reiterate our desire for a political solution in Mexico's transit toward democracy. We urge civilian society to resume the heroic role it had in stopping the military phase of the war and to organize to conduct peaceful efforts toward democracy, liberty, and justice. A democratic change is the only alternative to war.

Seventh: We invite honest members of our civilian society to participate in a national dialogue for democracy, liberty, and justice for all Mexicans.

This is why we say:

II. Brothers:

After the war started in January 1994, the united voice of the Mexican people stopped the confrontation and called for a dialogue among the conflicting parties. The federal government responded to the just demands of the EZLN with offers that failed to touch the basic point of the problem: a lack of justice, liberty, and democracy on Mexican soil.

The degree of compliance with the proposals made by the federal government to the EZLN's demands has been determined by the political system of the ruling party. This system has allowed another power, which is above constitutional power, to exist in Mexican territory. Its roots keep the party in power. This system of complicity has promoted the existence and belligerence of bossism, the omnipotent power of cattlemen and merchants, and the infiltration of drug trafficking... The simple offering of the so-called Compromise for a Dignified Peace in Chiapas provoked a great uproar and open defiance on the part of these people. The single-party political system is trying to maneuver in this reduced horizon imposed by its existence. It cannot refrain from attacking these groups without hurting itself and it cannot leave things as they are without seeing an increase in the belligerence of peasants and Indians. In sum, compliance with the commitments implies, necessarily, the death of the system of the party of the state. By suicide or execution, the death of the current Mexican political system is a necessary condition, although not sufficient by itself, in our country's journey to democracy. There will be no real solutions to Chiapas' problems unless Mexico's problems are settled.

The EZLN realizes that the problem of Mexican poverty is not caused by a lack of resources alone. Its main contribution is to understand and point out that any effort, in one aspect or another, will only postpone a solution unless these efforts are made within a new framework of national, regional, and local political relations: a framework of democracy, liberty, and justice. The problem of power will not depend on who is the leader, but on who will exercise it. If power is exercised by a majority, the political parties will be forced to confront that majority and not one another.

Viewing the problem of power within the framework of democracy, liberty, and justice will force the creation of a new political culture within the parties. A new class of politicians should be born, and undoubtedly, a new types of political parties will be born.

We are not proposing a new world but the start of a new Mexico. This revolution would not end with the creation of a new class, part of a class or group in power, but in free and democratic "space" for political struggle. This free and democratic "space" will be born from the stinking corpse of the system of the party of the state and the presidential system. A new political relationship will be born. A new policy whose base is not a confrontation between political organizations but a confrontation between their political proposals and the various social classes, because the head of political power, and not its exercise, will depend on the GENUINE support offered by these groups. In this new political relationship, the new proposals of system and course (Socialism, Capitalism, Social Democracy, Liberalism, Christian Democracy, and so on) must convince a majority of the nation that their proposal is the best for the country, not that they will be "watched" by the country they lead to ensure they offer regular reports and are subjected to the nation's opinion on whether they should remain in power or be removed. A plebiscite is a regulated means to confront power, both the power of party and nation, and it deserves an important place in the ultimate law of the country.

The current Mexican legislation is too narrow for this new policy between rulers and those being ruled. There is a need for a NATIONAL DEMOCRATIC CONVENTION to produce a PROVISIONAL OR TRANSITIONAL GOVERNMENT through the resignation of the federal chief executive or through elections.

The NATIONAL DEMOCRATIC CONVENTION AND TRANSITIONAL GOVERNMENT should produce a new Constitution and new elections should be called within its framework. This process will always

cause less pain to the country than that produced by a civil war. The prophecy of the south is valid for the entire country, and we can learn from past developments and make the delivery of the new Mexico less painful.

The EZLN has an idea of what system the country should have and what course it should follow. The political maturity of the EZLN, its coming of age as a representative of the feelings of part of the nation is based on the premise that it does not wish to impose this idea on the nation. The EZLN demands for itself what is evident: The coming of age of Mexico and the right to decide, freely and democratically, the course it should follow. This historic start will not only produce a fairer and improved Mexico, but also a new Mexico. We will risk our lives in this—in giving to future Mexicans a country in which it is not shameful to live...

The EZLN, in an unprecedented democratic exercise within the armed organization, consulted its components on whether it should sign the peace agreement proposal presented by the federal government. In light of the fact that the main issues of democracy, liberty, and justice for all have not been resolved, the EZLN rank and file, which mostly comprises Indians, has decided to reject the signing of the government proposal.

Being under siege and pressured from various flanks which have threatened us with extermination if we failed to sign for peace, we, the Zapatists, reaffirm our determination to attain peace with justice and dignity, and in this endeavor we will offer our lives. We are again continuing the dignified struggle of our forefathers. The dignified call of insurgent Vicente Guerrero—"Live for the Homeland or Die for Liberty"—is coming out again from our throats. We cannot accept peace without dignity.

Our decision to fight resulted from the impossibility to fight peacefully for fundamental human rights, of which the most valuable is the right to choose, with freedom and democracy, a system of government. Currently, the possibility of a peaceful transition to democracy and freedom is facing a new struggle, namely, the electoral process of August 1994. There are those who are preparing for the postelectoral period by preaching apathy and disappointment from their stagnant positions. They seek to benefit from the blood shed by those who have fallen on all combat fronts, violent as well as peaceful, in the city and in the countryside. They are basing their political project on the postelectoral conflict, and hope, without doing anything, that political demobilization will again open the heavy gates of war. They will save, so they claim, the country.

Others, from now on, are anticipating that the armed conflict will begin before the elections and that the ensuing ungovernability will help them retain power. As they did yesterday, when they usurped the popular will through electoral fraud—and, as they do today and will do tomorrow—while in the confusion of preelectoral conflict, they are seeking to prolong the agony of a dictatorship which, disguised under the official party, has already lasted decades. Other sterile harbingers of apocalypse believe that a war is unavoidable, and they sit in wait for the corpse of their enemy... or of their friend, to be walked on. The sectarian mistakenly believes that the firing of rifles in and of itself will bring the dawn our people have awaited since that day when the night fell upon them following the deaths of Villa and Zapata on Mexican ground.

All of these thieves of hope believe that behind our weapons, there is ambition and a thirst for prestige, and that this will lead our path in the future. They are mistaken. There are other weapons behind our weapons—the weapons of reason. Hope drives both types of weapons, and we will not let anyone take them away.

Hope by way of the trigger had its moment at the beginning of the year. It must now wait. It is necessary that the hope that exists in broad-based movements returns to playing the pivotal role it deserves out of right and reason. The flag is now in the hands of those who have names and faces; good, honest people who walk paths that are not ours, but whose goal is the same as we are fighting for. We respect these men and women and we respect and hope they will take that flag to its rightful place. We will be waiting, standing up with dignity. If that flag falls, we will pick it up again...

Let hope be organized and walk now in the valleys and cities, as it did yesterday in the mountains. Fight with the weapons available to you. Do not worry about us. We will know how to resist until the end. We will know how to wait... and we will know if the doors are closed again, so that dignity can prevail.

That is why we are addressing our brothers of nongovernment organizations, of peasant and Indian organizations; workers of the countryside and the city; teachers and students; housewives and settlers; artists and intellectuals; and members of independent parties of Mexico:

We appeal for a national dialogue on the topic of democracy, liberty, and justice. In turn, we are now calling for a National Democratic Convention (CDN).

We, the Zapatist National Liberation Army, are striving to achieve the democracy, liberty, and justice that our fatherland deserves, whereas: First, the supreme government has also usurped the legality bequeathed to us by the heroes of the Mexican revolution. Second, the existing Constitution no longer reflects the will of the Mexican people. Third, the ouster of the usurping federal government does not suffice, and it is necessary to have a new law for our new fatherland, which will be born of the struggles of all honest Mexicans. Fourth, all forms of struggle are necessary to achieve a transition to democracy in Mexico.

We appeal for the holding of a CDN [expansion unknown], sovereign and revolutionary, which will propose a transitional government and a new national law, a new constitution that will guarantee the legal fulfillment

of the people's will. The fundamental objective of the CDN is to organize the civil expression and defense of the people's will.

The sovereign revolutionary convention will be national inasmuch as its composition must include all states of the federation. It will be pluralist because all patriotic forces will be represented. It will be democratic in the making of decisions because we will utilize national consultations.

The convention will be chaired freely and voluntarily by civilians and public personalities of renowned prestige, regardless of their political affiliation, race, religious creed, sex, or age.

The convention will comprise civilians through local, regional, and state committees in villages, neighborhoods, schools, and factories. These convention committees will be charged with gathering the people's proposals for the new constitution and their demands to be met by the new government, which will stem from the new constitution. The convention must demand the holding of free and democratic elections and struggle tirelessly for respect of the people's will.

The EZLN will recognize the CDN as the authentic representative of the interests of the Mexican people in their transition to democracy.

The EZLN exists throughout the territory of the nation and is now in a position to offer itself to the Mexican people, as guarantor of the fulfillment of the people's will.

For the first meeting of the CDN, the EZLN offers a Zapatist town as a venue and all the resources available to it. The date and place of the first session of the CDN will be announced in a timely manner.

III. Mexican brothers:

Our struggle continues. The Zapatist flags continue waving in the mountains of the Mexican southeast. Today we declare: We will not surrender!

In the mountains, we spoke with our dead so that they could point us to the road on which our gagged people must march. Drums resonated and the earth spoke of our pains and our history. Our dead say: "Everything to everybody." As long as this does not happen, there will be nothing for us.

Speak on behalf of other Mexicans, look into your hearts and speak to those for whom we struggle. Invite them to walk the honorable road of the faceless. Urge everybody to resist; let no one receive anything from those who give orders for the sake of giving orders. Turn the not-for-sale principle into the common banner of the majority. Ask those who speak encouraging phrases to give us more than words for our pain. Ask them to share our pain, to resist at your side, and to reject alms from the powerful. Let the good people from this land put together today the dignity that gives them the strength to resist and that prevents selling out. Let them put together this dignity to demand tomorrow that those who govern remain truthful to and hail the essence in the heart of the majority. Let the good road win in order that those who give the orders do so while obeying.

Do not surrender! Resist! Do not dishonor the truth! Resist with dignity in the land of true men and women. Let the mountains nestle the pain of the men of corn. Do not surrender! Resist! Do not sell out! Resist!

This is how the essence in the heart of all of those who have died. We have sensed that what our dead are saying is true and that their advice is truthful and honorable. This is why we are appealing to all of our Mexican Indian brothers to resist with us. We appeal to all peasants, workers, employees, settlers, housewives, students, and teachers, those whose life means thinking and speaking, and those who have dignity and honor. We appeal to all of them to resist with us because the corrupt government does not want democracy in our land. We will not accept anything from the rotten heart of the bad government—not a single coin, or medicine, or rock, or one single grain, or the crumb of alms they are offering in exchange for our honorable march.

We will accept nothing from the supreme government; even if our pain and suffering increase; even if death continues sitting at our table, in our land, and in our beds; even if we see that others sell out to the oppressor; even if we ache everywhere; and even if the rocks cry out in pain. We will accept nothing. We will resist. We will accept nothing from the government. We will resist until those who give the orders do so by obeying.

Brothers, do not sell yourselves out. Resist with us. Do not surrender. Resist with us. Repeat with us these words, brothers: "We will not surrender! We are resisting!" Let this be heard not only in the mountains of the Mexican southeast but also in the north and in the peninsulas, on both coasts, and in the middle of the country. Let this be shouted in the valleys and the mountains. Let this resound in the cities and in the countryside. Unite, brothers; thunder with us; let our demands be your demands! "We will not surrender! We are resisting!"

Let dignity break the siege with which the dirty hands of the corrupt government is suffocating us. We are all besieged. They do not let democracy, liberty, or justice enter Mexican territory. Brothers, we are all besieged. Let us not surrender! Let us resist! Let us be honorable! Let us not sell out!

What good will wealth do for the powerful, if they cannot buy what is most valuable in this land, if the dignity of the Mexicans cannot be bought? What good will power do for the powerful?

Dignity does not surrender! Dignity resists! Democracy! Liberty! Justice!

[Signed] From the mountains of southeastern Mexico, Clandestine Indian Revolutionary Committee-General Command of the EZLN
[Dated] Mexico, June 1994

CEOIC: Government Has Not Fulfilled Agreements

PA1206004294 Mexico City LA JORNADA in Spanish 9 Jun 94 p 14

[Report by Jose Antonio Roman and Candelaria Rodriguez]

[Text] Tuxtla Gutierrez, Chiapas State, 8 Jun—The State Council of Indian and Peasant Organizations (CEOIC) has stated that in agricultural matters, the various levels of government have not kept to the agreements, their proposals are incomplete and they seek to deprive jurisdiction, and the truth is that "they do not intend to definitely resolve the Chiapas land problem."

CEOIC, which represents 280 organizations, today warned in a communique that "events continue moving toward a confrontation." The organizations demand a "break of the military blockade" surrounding the Zapatist National Liberation Army (EZLN), respect for human rights in Chiapas, and a clear development and financing policy for Chiapas land.

Upon releasing the CEOIC communique, Arturo Luna Lujan, organization secretary for the Independent Agricultural and Peasant Workers Central Organization [Central independiente de Obreros Agricolas y Campesinos—CIOAC] said that due to noncompliance by the federal and state governments, the peasant associations will start a permanent sit-down strike opposite the Tuxtla Gutierrez government palace.

One must remember that on 14 April, during one of the most critical moments of the land takeover, the CEOIC and several federal and state government entities, signed a truce agreement regarding the agrarian situation in Chiapas. In this truce agreement, peasant organizations that comprise CEOIC pledged to suspend the occupation of properties and land, while government authorities pledged to resolve the state's agrarian problem.

Among the main agrarian problems afflicting Chiapas are an enormous land tenancy, much agrarian backwardness, multiple presidential resolutions that have not been carried out, and hundreds of unfulfilled land requests.

Currently, despite the fact the exact area is not known, it is reported that about 50,000 hectares have been taken by Indian and peasant organizations in several places in the state, and a further 40,000 hectares within the conflict area, mainly in Ocosingo, Altamirano, and Las Margaritas Municipalities—the latter being where the EZLN is located.

At the same time the CEOIC and government were signing the agreement on 14 April, negotiations were also begun with other government entities at the federal level, such as with the Social Development and Government Secretariats, with which a series of measures and meetings were agreed upon to deal with the various demands presented by the groups that comprise CEOIC.

"Despite these agreements, the replies have been noncompliance, proposals have been incomplete and seek to deprive jurisdiction, and a there is a lack of desire to resolve once and for all the Chiapas land problem," the brief CEOIC text states. It regrets that despite all its efforts to reach true peace, with justice, democracy, and social development, events advance toward confrontation.

That is why to solve their demands, the CEOIC demands the presence and commitment of Chiapas Governor Javier Lopez Moreno; Secretaries Victor Cervera Pacheco, Carlos Rojas, and Carlos Hank Gonzalez, for Agrarian Reform, Social Development, and Agriculture and Hydraulic Resources, respectively; Jorge Madrazo Cuellar, president of the National Human Rights Commission; Humberto Benitez Trevino, Attorney General of the Republic; and Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas State.

Peasant leader Arturo Luna Lujan said that CEOIC members watch the weeks go by without receiving a definite reply from the authorities because until now all they have received have been written proposals. This situation has generated a climate of uncertainty and desperation, therefore the council peasants have decided to resort to a permanent sit-down strike as a way to exert pressure on the federal and local governments to give a positive reply to these demands.

When referring to the number of strikers, Luna Lujan said there will be between 2,000-5,000 peasants and Indians, but the numbers could increase gradually as the days pass without true solutions.

We are asked not to takeover land, not to hinder the peace and reconciliation process, but the authorities "do not make the slightest effort to keep their word or to contribute to the creation of a climate of stability that leads to a favorable situation for signing the peace agreements," he concluded.

Further on Salinas Maintaining Cease-fire

PA1306151794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Jun 94

[From the "Early Morning" newscast]

[Text] After learning of the Zapatist National Liberation Army's rejection of the peace proposals presented by the Mexican Government, the Presidency of the republic issued the following communique:

In line with the will of the Mexican Government to safeguard peace and to obtain the economic and political development of the region that is in crisis, President Carlos Salinas de Gortari has ordered the secretaries of

National Defense, Government, Social Development, Communication and Transport, and Health to continue rigorously complying with programs previously decided upon.

The communique adds: The president has ordered the National Defense secretary to maintain the cease-fire unilaterally declared on 12 January to continue patrol and relief operations along the country's southern border, and to conduct the necessary operations to prevent the smuggling of weapons into the region.

The president also ordered the commissioner for peace to report to the people about these specific decisions and about the government's decision to continue promoting peace through a political resolution of the conflict.

Salinas Willing To Mediate Cuban Embargo

PA1406045094 Madrid EFE in Spanish 0001 GMT 14 Jun 94

[Excerpts] Mexico City, 13 Jun (EFE)—Today, Mexican President Carlos Salinas de Gortari said he is willing to mediate between Cuba and the United States to eliminate the economic embargo on the island, however, "no one has asked us to mediate, and we are not in the habit of going where we have not been invited." In a short news conference, shortly before leaving for Cartagena de Indias, Colombia, Salinas de Gortari said he is convinced the blockade solves nothing and added: "we believe it should be lifted and in this manner bridges for communication and dialogue would be built." [passage omitted]

The Mexican president said the visit was "very positive and cordial and strengthened the traditional good relations that exist between our two countries." [passage omitted]

Envoy: Oil Agreement Possible During Salinas Cuba Visit

PA1206161594 Mexico City NOTIMEX in Spanish 1929 GMT 11 Jun 94

[Text] Mexico City, 10 Jun (NOTIMEX)—Cuba's ambassador to Mexico Abelardo Curbelo has said that the visit Mexican President Carlos Salinas de Gortari will make to Cuba Monday "is an expression of a political nature."

In an interview with NOTIMEX, the diplomat did not rule out the possibility of some cooperation agreement, which may include the oil sector, being signed as part of the Mexican president's activities during his six-hour visit to the island.

The diplomat said: "The essence of (Salinas') meeting with Fidel Castro is to increase the ties of friendship that exist between the two countries in all fields."

Curbelo added: "This minisummit is an expression of a political, not economic nature, but I will not deny that some kind of cooperation agreements, such as the one Mexpetrol negotiated with Cuban firms to send Mexican crude oil to the Cuban refinery, could be signed."

Curbelo explained that the negotiations process between a Cuban firm and Mexpetrol, a subsidiary of Mexican Petroleum, was reached between the two enterprises, without government participation.

The diplomat said Cuba and Mexico are continuing negotiations in sectors such as telephone, tourism, and others "about which we prefer not to talk and which we keep quiet about in order not to obstruct them."

Curbelo said the Cuban Government permits the participation of foreign capital—from Mexico as well as from other countries—and agreements do not depend on the presidential visit or official events because the agreements are among enterprises themselves.

The ambassador noted: This is why the signing of agreements do not depend on a deadline or a meeting. If we find that an agreement can be signed Monday, however, it will be done in a symbolic way.

Curbelo explained that Cuba is seeking oil agreements with various nations to stabilize oil supplies "based on market conditions and not on preferential price treatment, which is not our objective right now."

He said plans for securing stable oil supplies must be based on the Cuban economy's capacity and efficiency within the framework of world market conditions. "These are our objectives," he said.

If preferential prices are granted, he explained, this will depend on the other countries, on the possibility of them buying Cuban products, and on Cuba's export capabilities.

President Salinas will visit Cuba Monday. He will stay there six hours and review the bilateral agenda and issues of common interest with Fidel Castro.

President Salinas will attend a dinner hosted by Castro, and later he will travel to Colombia where he will participate in the Fourth Ibero-American Summit, which will be attended by the presidents or heads of state of Spain, Portugal, and 21 Latin American countries.

Salinas Announces Aid for Teachers, Farmers

PA1006174894 Mexico City XEW Television Network in Spanish 0430 GMT 9 Jun 94

[Report by Gabriela Resendez from the "24 Hours" newscast]

[Text] At Los Pinos presidential residence, President Salinas has announced that 80,000 Mexican teachers will be guaranteed access to credits to purchase homes in the coming two years. President Salinas affirmed the signing of the agreement to finance a housing program for teachers.

[Begin Salinas recording] As I have said here, 80,000 loans, which will be financed with some 3.900 billion new pesos, will be granted to teachers in the coming 24 months. The federal government, the state governments, and the national banking system will grant these funds. [end recording]

This credit agreement came into force on 8 June and was signed by Elba Ester Gordillo, secretary general of the National Coordinating Board of Education Workers; Jose Madariaga Lomeli, vice president of the Mexican Banking Association; and Jose Angel Pescador Osuna, education secretary. Pescador noted that the CEPA [expansion unknown] contributed 72 million new pesos to the program. Later, in the Avila Camacho Hall, President Salinas announced reductions in the prices of agricultural tools and tractors of up to a 160 horsepower. These reductions seek to strengthen the capitalization of the Mexican agricultural sector.

[Begin Salinas recording] Reductions in the price of these basic agricultural tools range from a minimum of 33 percent to discounts of more than 40 percent. [end recording]

President Salinas said these discounts entered into effect on 8 June, and announced that credit packages are available to enable farmers to buy the equipment promptly. President Salinas also noted the production results for the Fall-Winter period: over 4 million tons of corn, over 3.5 million tons of wheat, and over 350,000 tons of beans. These figures, he added, surpass previous averages.

Authorities: Car Bomb Linked to Drug Trafficking

PA1206015194 Mexico City NOTIMEX in Spanish 0005 GMT 12 Jun 94

[Text] Guadalajara, 11 Jun (NOTIMEX)—The explosion of a car bomb today at a Guadalajara hotel was, apparently, the work of individuals involved in drug trafficking, according to the preliminary reports released today by Jalisco State authorities.

A car bomb exploded at dawn on Saturday in the capital of Jalisco in western Mexico, causing two deaths and injuring five people, according to the Office of the State District Attorney (PGJE).

In a communique, the PGJE explained that the explosion took place during a birthday party at the hotel, which was attended by "families that may be related to the family of Rafael Caro Quintero."

Drug traffickers Rafael Caro Quintero and Ernesto Fonseca alias "Don Neto" are serving prison sentences for their involvement in the 1985 murder of U.S. DEA agent Enrique Camarena.

According to a document released by the Jalisco authorities, cards were found at the tables with the names of the following families: the Quintero Echeverria Family, the Perez Quintero Family, and the Hernandez Quintero Family.

The PGJE said "the 15th Military Zone, Attorney General's Office (PGR) and PGJE are conducting a joint investigation." Based on the testimony of a witness, the authorities established the sequence of events prior to the explosion.

According to Arturo Rangel Martinez (who was injured by the explosion), at 0200 local time (0800 GMT), he was in the bus owned by the music group "The Hurricanes of the North," for which he drives.

Rangel Martinez testified that he noticed "a parked Ford Grand Marquis, which was approached by a young man wearing a dark suit." According to the PGJE communique, Rangel Martinez said that "approximately five minutes later, while he was resting inside the bus, he heard and felt an explosion and saw that the vehicle had exploded."

According to preliminary reports, the PGJE noted, it was possible to determine that "the vehicle that exploded had apparently been stolen and bore a superimposed license plate because, according to records, the plates belonged to another vehicle." The explosion damaged the bus owned by the musicians who played at the party, and eight other vehicles.

The PGJE bulletin explained that the party, in honor of Karine Fernandez Castro who turned 15, was attended by approximately 200 guests, most of whom came from the northern Sinaloa State, one of the states that has the largest number of drug trafficking gangs.

The car bomb explosion follows the 7 June attempt by an armed group—which subsequently confronted policemen—to murder Leonel Quintero Payan, a relative of Caro Quintero, in Guadalajara.

There was also an incident on 10 June when drug agents prevented five armed individuals from kidnapping Leonel Quintero Payan, who had been wounded in the attack and was being treated at the Del Carmen hospital in this city.

"According to forensic investigations conducted so far on the bodies found at the site of the explosion, it is presumed that they are the bodies of two men" whose identities were not disclosed by the authorities. The authorities have also disclosed that "of the five people hurt in the explosion, four of them suffered only slight injuries."

PRI's Zedillo Condemns Guadalajara Bomb

PA1106225594 Mexico City XEW Television Network in Spanish 2041 GMT 11 Jun 94

[Excerpt] Mr. Ernesto Zedillo, Mexican presidential candidate for the Institutional Revolutionary Party [PRI],

speaking before the Mexican medical community, condemned the Guadalajara, Jalisco State car bomb attack.

[Begin Zedillo recording] Anonymous violence is one of the most brutal criminal actions; it attacks Mexican society's most appreciated values and must be strongly rejected. We demand that the circumstances regarding this crime be clarified and that those responsible receive harsh punishment. We Mexicans want to live safely, with tranquillity, and with unity. Criminal forces must not be allowed to disturb our country's social peace. [end recording]

The PRI candidate sent a message of solidarity to the people of Guadalajara:

[Begin Zedillo recording] Once again, Guadalajara and all Jalisco residents suffer events that have absolutely nothing to do with these civic-minded and hard-working people. We join them in their demands for justice. [end recording] [passage omitted]

Defense Commission Chairman: Arms Trafficking 'Normal'

PA1106042094 Mexico City EL FINANCIERO in Spanish 9 Jun 94 p55

[Article by Francisco Gomez Maza]

[Text] Division General Ramon Mota Sanchez, chairman of the Chamber of Deputies Defense Commission, said arms trafficking in the country "is nothing serious; it is a normal occurrence as it is in all countries of the world. It is small-scale smuggling."

Mota downplayed the importance of weapons trafficking, saying he did not believe it was serious but, rather, just "something normal, as it is in all countries of the world into which many types of articles, such as food or clothing, are smuggled. Weapons are also smuggled in, but this is something that has always existed, and all countries take measures to try to stop it." He said there have been no indicators leading one to believe there has been some truly heavy weapons trafficking; "there has been just the normal amount, the amount that has always existed, the small-scale smuggling, as we call it."

Shortly before attending yesterday's meeting of the recently created Consultative and Social Participation Commission of Civil Protection at the Government Secretariat, the division general, who is also a deputy, confirmed "the weapons smuggling that exists (in the country) is on a small scale. It is the common smuggling that exists in all countries that share borders, and there is no need for alarm or anything." When questioned on the front steps of the Government Secretariat at approximately 1100, the following questions and answers ensued:

[EL FINANCIERO] Is the Chamber of Deputies Defense Commission conducting any investigation into the recent reports there is a trafficking of large amounts of weapons?

[Mota] The commission has nothing to do with that. The corresponding authorities are the ones who have presented the reports, and they are probably conducting investigations, which they do on a permanent basis.

[EL FINANCIERO] How serious is weapons trafficking?

[Mota] I do not believe it is serious. I believe it is something normal, as it is in all countries of the world where there is arms trafficking, and many types of articles, such as food, clothing, and so forth, are smuggled in. Weapons are also smuggled in, but this is something that has always existed, and all countries take measures to try to stop it.

[EL FINANCIERO] Our society, then, should not be worried about weapons trafficking?

[Mota] I do not believe so because the information (which was leaked about a possible heavy trafficking of weapons and which authorities are investigating) is from February. From February to the present, there has been no event, no indicator that would lead one to believe there has been some truly heavy weapons trafficking, just the normal amount, the amount that has always existed, the small-scale smuggling, as we call it.

[EL FINANCIERO] Who generally engages in trafficking?

[Mota] All types of people who travel, especially, to the United States and return with some type of weapon. This is why I call it small scale.

[EL FINANCIERO] Do you have any statistics to report on arms seizures?

[Mota] The Defense and Government Secretariats have just published this report. I do not have the figures on hand, but they are significant, especially those on drug trafficking.

The civil protection programs of the Government Secretariat, which is headed by Government Under Secretary Socorro Diaz Palacios, were analyzed at the meeting Mota attended.

People from various sectors that form part of the National Council of Civil Protection also attended this meeting. The objective of this council is to provide elements of analysis to the Government Secretariat so that its civil protection activities will reach more people.

Annual Human Rights Report Presented

PA1006224094 Mexico City UNOMASUNO in Spanish 7 Jun 94 pp 1, 8

[Report by Angel Porras Robles]

[Text] Jorge Madrazo Cuellar, president of the National Human Rights Commission [CNDH], acknowledged to the head of the executive branch, President Salinas de Gortari, that the organization's main problem is the partial fulfillment of 51 percent of its 796 recommendations, 103 of which are due to a "negligent" attitude. He emphasized that "we do not count on the decided support of all the governors or the judges," in the struggle against torture, adding that in 34 penal institutions there is a lack of "courage and willingness" to put an end to corruption, drug trafficking, and self-governing groups inside penitentiaries.

During the presentation of his annual report, the ombudsman indicated that when the time comes, he will speak out about the 46 complaints he has filed on the Chiapas conflict, "without attempting to harm the institutions." On Luis Donaldo Colosio's murder, he emphasized that the CHDH mission is not to cover up criminals nor to hide arbitrary actions, it is simply to foster respect for the Constitution.

Madrazo Cuellar reiterated that Mexico has the largest human rights organization in the world, however, what it seeks is to become the most efficient. To achieve this, he emphasized, it is indispensable, among other things, for the governors to reinforce their support to the local commissions so that these can efficiently fulfill their duty. Several of these commissions, he warned, face "severe financial problems," as well as a lack of technical and human resources, such as the case of Oaxaca.

During the reporting period, the Nonjurisdictional National System of Human Rights' Protection received 24,096 complaints; of these, the CNDH attended to 8,804. This represents an average of 24.1 per day. He added that in four years, 27,841 charges have been presented, of which 26,393 have been investigated. He reported that the CNDH's current capacity to act is 94.8 percent.

In this regard, he emphasized that based on a socioeconomic study of victims, it was established that 70 percent are people of very low income. He said: "It is very satisfactory that the institution is giving support to those who have less and with whom we have the greatest justice."

He later indicated that the most frequent complaints concern violations of inmates' rights, abuse of authority, arbitrary detention, delays in legal action, denied access to medical services, false accusations, denials of the right to petition, public service responsibilities, and torture.

With regard to this last complaint, he emphasized that the accusations are decreasing; last year only 141 complaints were filed. Nevertheless, he explained that he had not received support from some governors and judges. With regard to the governors, "suffice it to say that one fourth of the federal institutions in the country still use torture as a form of punishment and much less have laws to prevent or to punish it."

With regard to judges, based on the CNDH's recommendations made during the reporting period, there are 53 cases of torture or homicide awaiting trial. He mentioned that only six of these cases have resulted in prison sentences; however, 26 denials or cancellations of arrest warrants have been issued. In seven cases, sentences have not yet been handed down; in 13 cases, arrest warrants have been issued; and one release resolution was issued.

Meanwhile, the CNDH president indicated that the authorities most willing to resolve the complaints through mutual, friendly agreement are the Attorney General's Office and the justice prosecutor of Mexico City, the Secretariat General of Protection and Viability, the Security and Social Services Institute for Government Workers, and the Department of the Federal District.

Madrazo Cuellar indicated that the current status of the 267 recommendations issued this year are as follows: 49 have been totally complied with, 196 have been only partially complied with, 12 have been accepted and are waiting for evidence to be presented, three have been accepted without evidence, 22 are pending a response, and seven have not been accepted by the officials involved.

In discussing this matter further, he reported that these cases involve the head of Santiago Ixcuintla Municipality in Nayarit, the governors of Aguascalientes and Baja California, the head of Sinaloa State's Higher Court of Justice, the agrarian reform secretary, and the trust fund manager of the National Low-Income Housing Fund. The previous Oaxaca legislature also is included in this list, the CNDH official indicated, because it knowingly let time elapse despite having accepted the recommendations. "This is scandalous behavior devoid of any ethical basis," Madrazo Cuellar noted.

Of the 796 recommendations issued in four years, Madrazo Cuellar noted that 376 were fully complied with and 404 partially complied with; three were accepted, but there is no evidence of compliance; and two were unsatisfactorily complied with. Also, 12 are at the stage of submitting evidence; there is still time to reply to 22; and 16 were not accepted.

In addition, he noted that 101 of the 404 recommendations that were partially fulfilled fall under this category because the arrest warrants have not been enforced, or, in some cases, even issued by the judges. The CNDH, he added, knows that 426 arrest warrants issued on the basis of its suggestions and which correspond to federal or local jurisdictions have not been complied with or issued.

Also, 145 recommendations that have been partially complied with deal with prison matters. In order for these to be fully enforced, many need the allocation of financial resources to build, expand, or repair prisons—"something that takes time, of course." The CNDH

chairman explained that a lack of courage or commitment to stamp out corruption, drug trafficking, and the persistence of self-governing groups is noticeable in 34 cases.

Later, when referring to 103 recommendations that were partially heeded, he noted that, based on the dates on which they were issued and the records contained in the respective files, they must be regarded as cases in which there has been "negligent noncompliance."

He enumerated the recommendations falling under this category that were sent to different governors: 15 to the Oaxaca governor, 13 to the Michoacan governor, nine to the Guerrero governor, eight to the Mexico State governor, six to the Chihuahua governor, five to the Morelos governor, five to the Puebla governor, four to the San Luis Potosi governor, three to the Baja California governor, three to the Chiapas governor, three to the Guanajuato governor, three to the Sonora governor, three to the Tamaulipas governor, two to the Colima governor, two to the Durango governor, two to the Tabasco governor, two to the Yucatan governor, one to the Aguascalientes governor, one to the Jalisco governor, one to the Nayarit governor, one to the Nuevo Leon governor, and one to the Tlaxcala governor. One was also sent to the agrarian reform secretary.

He warned that the recipients "must be aware that each case is a complaint for an act of injustice, arbitrariness, impunity, and it is in their hands to resolve these cases and make amends.... Whoever has the authority to resolve an act of injustice and fails to do so becomes an accomplice of the perpetrator."

During the period mentioned in the report—from May 1993 to May 1994—more than 539 public officials—330 federal and 209 state employees—were punished, but since the CNDH has been functioning, a total of 1,848 officials were subject to disciplinary actions. He affirmed that in the struggle against impunity there can be no exceptions.

After recounting the CNDH activities—contained in a total of 5,083 pages, which he summarized in 14 pages—Madrazo Cuellar noted that the armed conflict in Chiapas represents the most important challenge for his organization. He added: "We are working in an objective and impartial manner in conducting the investigations and collecting evidence, because without these efforts we could not make pronouncements. We are working to rectify errors and to make amends for violations perpetrated by those who disobey orders, and we are doing this without seeking to harm any institutions."

Regarding the complaint filed by the Mayorals, who were coimplicated in Colosio's murder, he said the CNDH will maintain the opinion that the perpetrators of the most serious offenses are entitled to their individual rights, but society "must not become confused." He added, "Just as all Mexicans, the CNDH wants the whole truth to be known and those responsible to bear the full weight of the law" for the "deplorable homicide."

The CNDH's mission, he added, is to enforce respect for the law at all times, even during the most difficult and painful moments, under the terms of the Constitution.

Mexicali Industrial Zone Seeks Taiwan Investment

OW1106133094 Taipei CNA in English 1300 GMT 11 Jun 94

[By Danielle Yang]

[Text] Taipei, June 11 (CNA)—The Mexicali industrial zone, situated at the border of the United States and Mexico, wants more Taiwan investment, a representative of the zone said Saturday [11 June].

Investors will be allowed easier access to the North American Free Trade Area (NAFTA) [as received] after setting up plants there, Chuang Chih-lung, an overseas Chinese authorized by the zone to court Taiwan investment, said Saturday.

Chuang made the call for more Taiwan investment in the wake of Republic of China Premier Lien Chan's visit to Mexico last week. The only Taiwan companies currently operating in the industrial zone are computer makers, Chuang said.

Most of the investors in the zone, which encompasses a population of a million people, come from the United States, Japan, and Taiwan, Chuang noted. He said the low cost of rent in the zone and the cheap and abundant labor force there make it an ideal place for Taiwan investors wanting to break into the North American market.

Polls Show Fernandez Leading Zedillo

PA1106232494 Mexico City LA JORNADA in Spanish 10 Jun 94 p 11

[Report by Mireya Cuellar and Raul Llanos]

[Text] Diego Fernandez de Cevallos is reportedly ahead of Ernesto Zedillo, candidate of the Institutional Revolutionary Party [PRI] by only 5 percent of the vote in the race for the Presidency of the republic, according to two recent polls, one conducted by the Opinion Research Center (CEO) and the University of Guadalajara and the other by the Indemerc-Louis Harris Firm.

The CEO conducted its poll among 6,896 voters in 19 cities of the republic. The results show that, as of 28 May, Fernandez de Cevallos had 33.2 percent of the votes, Zedillo 28.1 percent, and Cuauhtemoc Cardenas 13 percent.

The poll conducted by the private Endemerc-Louis Harris Firm on 24-31 May among 600 people in the valley of Mexico shows that PAN [National Action Party] candidate Fernandez de Cevallos increased his popularity rating to 42 percent after the presidential

debate. The PRI candidate placed second with 37 percent followed by Cardenas, candidate of the PRD [Party of the Democratic Revolution], with 9 percent.

The CEO poll, which has a statistical reliability rating of 94.2 percent, was conducted on 19-18 May, and the 19 chosen cities make up 36 percent of the national electorate. The criteria used to select the sample of voters included sex, age, and area of residence. The people were approached on the streets.

The CEO poll shows that trust in the Federal Electoral Institute (IFE), which is tasked with overseeing the process, increased slightly. When asked how trustworthy the IFE is in their opinion, 38.8 percent answered that it is trustworthy and 35.6 said that "it is not trustworthy." The first CEO poll conducted in March showed that 37.3 percent questioned the IFE's trustworthiness and 34.3 percent said it was trustworthy.

According to this poll, although more than 30 percent of citizens trust the IFE, only 27 percent think the elections will be "clean and honest." When asked whether they think the upcoming presidential elections will be clean and honest, 41.1 percent replied "no" and 31.9 percent said they do not know.

Another interesting fact revealed by the CEO poll is that 61.9 percent of the population thinks the parties will reject the electoral results, only 33 percent think they will accept them, and the rest do not know.

If the elections had been held during the last 10 days of May, that is, after the debate, Fernandez de Cevallos would reportedly be the next president of Mexico with 33.2 percent of the vote. Very closely behind was Zedillo with 28.1 percent and Cardenas with 13 percent of the vote.

The CEO conducted its first poll on 16-22 March this year. In that poll, 45.8 percent of the voters supported Zedillo, 13.5 percent Fernandez de Cevallos, and 18.1 percent Cardenas. The second and most recent poll was carried out on 19-28 May, amid the debate, and by then the PRI and PRD candidates had lost popularity.

CEO Director Cesar Augusto Morones Servin stated that his second and most recent poll makes two things clear: the 21 August election will be "strongly disputed" and the statistical forecasts are very "vulnerable." Any major development between now and the elections could alter the voting.

To back his "work theory," Morones Servin, during the same news conference in which he reported the results of the CEO poll yesterday, said they conducted a poll in Guadalajara two days after the assassination of Luis Donaldo Colosio, showing that PRI popularity had increased from 45.8 to 65 percent. The assassination favored the official party.

The PRI popularity rate, however, had dropped to 35 percent one month after Colosio's death. The analyst attributed this to the confusion created by the incident. In fact, 30 percent of those polled in Guadalajara said they think that the assassination was plotted within the official party.

The CEO director said the poll yielded a large amount of additional information that the University of Guadalajara places at the disposal of not only the media but also political organizations and the public at large.

Morones Servin said the cost of the poll was 80,000 new pesos, thanks to the support of 19 public universities throughout the country, which collected information in their states at no charge. On the market, this poll would cost 1.5 billion old pesos.

The cities where information was collected are: Mexico, Guadalajara, Monterrey, Tijuana, Ciudad Juarez, Villahermosa, Hermosillo, Culiacan, Morelia, Veracruz, Acapulco, Torreon, Puebla, Merida, Chihuahua, Oaxaca, Tampico, Leon and Tapachula.

Indemerc: Diego grows

According to a recent poll conducted by the Indemerc-Louis Harris firm with a representative sample of 600 Valley of Mexico residents, support for Fernandez de Cevallos began to rise after the public debate and as of 31 May he garnered the support of 42 percent of the respondents.

Following him very closely is the PRI's Ernesto Zedillo Ponce de Leon who, according to the poll, has the support of 37 percent of residents in the Valley of Mexico, one of the areas with the largest number of voters in the country.

The poll in question, which is part of the weekly follow-up conducted by Indemerc-Louis Harris, shows that support for the former secretary of programming and budget began to drop in the second week of May, days after the televised public debate between the PRI, PAN and PRD candidates.

As for Cuauhtemoc Cardenas, presidential candidate for the Party of the Democratic Revolution (PRD), he received the support of 9 percent of the voters in central Mexico.

Support for Cardenas Solorzano has remained steady following the aforementioned debate, although according to polls conducted a few days ago there has been a significant surge of support for the PRD, which is gradually closing the gap that separates Cardenas from his two main contenders as 21 August approaches.

As for the six other political parties that will participate in the electoral process, the polls underscore that together they gathered the support of 12 percent of the electorate.

Nevertheless, Indemerc-Louis Harris President Vicente Licona said that most of this support has gone to Labor

Party (PT) candidate Cecilia Soto, while support for the remaining contenders in this group has shown little or no change.

The Indemerc-Louis Harris poll shows the trend of the three leading contenders' campaigns before and after the public debate.

Thus, for example, starting in April support for the PRI declined significantly. By then, Ernesto Zedillo had been *uncovered* as the candidate who would succeed Luis Donaldo Colosio Murrieta, slain in Tijuana on 23 March.

According to the poll, popular support for the PRI had stopped dropping up to the day after the televised debate between Zedillo, Diego Fernandez and Cuauhtemoc Cardenas. After the debate, the party regained some support which, nevertheless, has proven insufficient to restore it to the levels of support it enjoyed up until April.

Meanwhile, the PAN made steady progress prior to the debate. As of that date, 12 May, Diego Fernandez' "bonds" multiplied "like bubbles" and he gained the support of 50 percent of Valley of Mexico residents. Nevertheless, the white and blue party candidate's popularity has decreased slightly due to matters pertaining to his choice of words during his political campaign. As of 31 May, Fernandez de Cevallos maintained the support of 42 percent of the voters in the heart of the nation.

To conclude, Cuauhtemoc Cardenas' position has remained steady among Valley of Mexico voters, and although he did not "win" the debate, his popularity has not been significantly affected.

El Salvador

Adefaes Requests Expansion of Compensation Benefits

PA1206000294 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Jun 94

[From the "Up-to-Date" newscast]

[Text] When the Legislative Assembly approved the decree whereby compensation for demobilized Army troops was established, it only included field personnel or, in other words, former soldiers. The Association of Demobilized Armed Forces Members [Adefaes], however, requested and succeeded in having the decree reformed to include military hospital personnel.

Now, for the third time, they are requesting another reform to include administrative personnel who were dismissed due to the peace agreements. An unidentified Adefaes spokesman addressed the issue.

[Begin unidentified Adefaes spokesman recording] We were not consulted on the decree that was passed, and it is incomplete because it deprives a great many people of compensation benefits. Our concern is that all the people who have been left out are entitled to benefits. [end recording]

Adefaes expects a positive response to its petition from the Legislative Assembly. Otherwise, its unidentified spokesman said, it will exert pressure.

[Begin unidentified spokesman recording] There may be some violence. If they do not meet our demands we will have no other alternative. We will gradually intensify our efforts and, I repeat, the time bomb may explode. [end recording]

On this occasion everything seems to indicate that Adefaes' request will be resolved in its favor because the two largest factions in the Assembly support the petition.

[Begin recording] [First unidentified deputy] Directly or indirectly, whether they were on the battlefield or they held administrative positions at garrisons, these people were involved in the conflict and they served the Armed Forces. I believe their request is fair.

[Second unidentified deputy] They requested a reform to include military hospital nurses. I do not believe that administrative personnel should be left out either. [end recording]

Another group requiring immediate attention are soldiers maimed in the war. According to Deputy Carranza, efforts are being made to establish a fund for the war maimed, which would be included in next year's extraordinary budget.

Guatemala

De Leon Carpio Interviewed on First Year

PA1306223294 Guatemala City Televisiete Television in Spanish 0430 GMT 8 Jun 94

[Interview with President Ramiro De Leon Carpio by Edgar Gudiel at the Presidential Palace in Guatemala City; from the "Channel Seven News" newscast—live]

[Excerpts] [Gudiel] Good evening, dear viewers of "Channel Seven News." Welcome to this special interview with the Constitutional president of the Republic, Ramiro De Leon Carpio.

Yesterday marked 365 days since President De Leon Carpio took office and, of course, the Guatemalan people would like to know what has truly happened during those 365 days. What has the president, his cabinet and his work team really done to benefit the Guatemalan people. [passage omitted]

Mr. President, welcome to this edition of "Channel Seven News." Thanks for accepting the invitation to talk, not with me, but with the Guatemalan people.

I believe the events at the end of May and early June 1993 are still fresh in the minds of the Guatemalan people. Perhaps the best question to begin this interview with President De Leon Carpio might be, what was the condition of the country when you took office on 6 June 1993? What caused this situation?

[De Leon] I believe that is a very scientific way of establishing whether or not there have been achievements. First, you must know what the situation was, where Guatemala was headed, how President Serrano was ruling the country, what was happening, and what the situation was when President De Leon Carpio took office. This is the logical, fundamental way to profoundly and seriously examine my first year in office. I would divide the answer into five aspects: press, international affairs, and the three broad areas of policy, economics and social issues. I will broach the first.

I was presented with a country that had a terrible international image, a Guatemala that was totally isolated from the international community precisely because of President Serrano Elias' disruption of institutional order. This total isolation was nefarious and negative. This was the international situation I encountered.

Regarding the press, I say the news media are the expression of fundamental freedom, of individual and social human rights which are very important because they are the pillars of democracy. Remember how things were a year ago in May? The government and the president directly harassed not only reporters but the news media. There was total disruption and incidents took place that had never taken place in Guatemalan

history, not even during the dictatorships. This was the situation I encountered in these two aspects.

Regarding the broad areas of policy, economics, and social issues, I would begin with policy because the people had recently rescued themselves from the abyss into which President Serrano was leading them with his disruption of institutional and constitutional order, his anarchy, and his extreme authoritarianism. The people demanded a reform and a reorganization of the three branches of state, and they staged demonstrations. In the political sphere there was always an urgent desire to cleanse the government and to break with the past. We were in a state of political upheaval that united various sectors, but my arrival was politically motivated. I arrived at the presidency to rescue institutional order and this is what I encountered.

In the economic aspect, inflation rose to 14 percent in 1992 and the situation in 1993 was quite difficult. The treasury was totally empty, and there were debts in every area. To mention a few, in the area of health, the hospitals had a debt of 130 million quetzales, the internal debt surpassed 900 million quetzales, the government had been unable to reduce the foreign debt and the international monetary reserve did not amount to $500 million. In other words, the situation was chaotic.

The general public may not have noticed, but when the president took office he faced an empty treasury, debts, and of course, the distrust of investors. There was no security for foreign or local investors, our economic situation was totally outdated, and prices for staple products were in utter disarray.

As for social matters, the country was in total upheaval. Remember that a year ago vans and buses were being burned in the streets, a student was murdered by a deputy's bodyguard, and there were demonstrations and riots. The social upheaval was palpable. People in the countryside were not participating in social projects. There was a total lack of confidence in the government for its misuse of state resources and the millions it spent from secret funds. All in all, it was a chaotic situation in every respect: economic, political, and social.

I must add that overnight, 72 hours before taking office—I did not even know I was going to be president—I encountered this difficult situation. Analysts say that no president has ever taken office in Guatemala under such unfavorable conditions. It has been a tremendous challenge, and to answer your question, that was the situation I faced.

[Gudiel] There was definitely chaos in Guatemala. Mr. President, 365 days have gone by. You have served one year of the two and a half you will be in office. After 365 days, have things improved? What is your opinion? Briefly, please, because I have many questions to ask you before our viewers start calling.

[De Leon] Very well. Along the same lines I mentioned, I believe our international situation is totally different. After being internationally isolated, Guatemala is now recognized by the international community. I might add, without false modesty, that the Guatemalan president has considerable prestige among the international community. The international community supports and backs the Guatemalan president and the administration over which I am honored to preside. The isolation I found has been totally reversed.

[Gudiel, interrupting] Nevertheless, and forgive me for interrupting, Mr. President, but you mentioned five points and now you are going to defend them. We are on the first one.

[De Leon] I am not going to defend them. I am going to make a comparison. I answered your question about the condition in which I found the country in terms of those five aspects, and now I will explain the current situation.

[Gudiel] You will compare one with the other. What about the travel warning? [previous two words in English]

[De Leon] Well, that is something very special. The travel warning was issued for Guatemala because of certain situations and due to incidents like the recent explosion of a terrorist bomb at a residence.

[Gudiel, interrupting] We opened our newscast with that information today.

[De Leon] Exactly. It is part of an internal destabilization plan because that is the only way to delay the attainment of peace. The travel warning is the result of a series of manipulated situations, and we are struggling against them. Their origins are not in the international community but in sources that are foreign to the states. When I say that upon arrival I found Guatemala to be internationally isolated, it is because international doors were totally closed.

[Gudiel] It pleased us very much to see the Costa Rican president in Peten yesterday.

[De Leon] That was a truly historic event. In the past we had to go to Costa Rica. Guatemalan presidents would wait for invitations from Costa Rica because it was the only democratic country. It was a luxury for a Guatemalan president to go to Costa Rica. That, however, is no longer the case. The Costa Rican president asked me to invite him on a working tour and he visited Peten. This proves—and here I speak of Asia, Europe, and Latin America—that there is support for the president and the administration. In short, Guatemala is no longer isolated from the concert of nations. That is the situation from the international viewpoint.

As far as the news media are concerned, I will say little because the differences are obvious. Following the harassment suffered by the news media in the past in what I would describe as a war waged by [former] President Serrano with an authoritarianism unprecedented in Guatemalan history, after those attacks on

reporters, the news media, and so forth, there is now full and absolute freedom of the media and expression.

There are isolated problems. Problems exist in Guatemala as they do everywhere in the world, but freedom of the media and of expression are pillars of democracy that I defend and practice. This government has been and will continue to be tolerant, because I believe in freedom of expression and of the media.

Let's move on and discuss the three main areas. As for the political aspect, our main problem was the disruption of constitutional order. That order has never been as preserved, strengthened, and supported as it is now by the Guatemalan Army. As I said before, and because we are talking in such a [word indistinct], pleasant, honest, and open manner, I am not losing any sleep over a possible coup d'etat. That is entirely out of the question.

[Gudiel, interrupting] Do you sleep soundly?

[De Leon] I sleep very soundly, particularly if I am exhausted after a hard day of work. Economic and social problems keep me awake and concern me, but the prospect of a coup d'etat does not. I am categorical about this because coups d'etat are a part of our history that we have overcome. All Army officers are aware of their professional responsibility and the role they should play in a democracy. This circumstance, which did not exist when I took office, has helped preserve and reinforce constitutional order. Previously the country's constitutional order was undermined by the rupture created by this organization.

People also asked me to purge state organizations; that is, the executive, legislative, and judicial branches. That purge is nearly a reality. Although I took the long way—the legal and democratic path which I had to choose—we are only two months away from a new Congress and two and a half months from a new Supreme Court of Justice. In sum, the political problems I encountered when I became president are close to a resolution. It has taken some time, if you will, but the legal path required time. This choice led to the constitutional reforms which—despite criticisms against the referendum—are being implemented and are yielding results. I will give you several brief examples.

First, the constitutional reform is yielding results in terms of pretrial proceedings. For the first time in Guatemalan history, a deputy has been separated from his post. It was made possible by a change in procedure. Now the deputies cannot be judges and defendants at the same time. The organization has changed. This has helped eliminate the prevailing political impunity. Discretionary funds are another example. The president eliminated confidential expenditures last year, and this year those funds were transferred to areas such as family and education. Discretionary funds were entirely eliminated from all state organizations by a constitutional reform. In addition to being an extremely significant and unprecedented step in Latin America, this step precludes corruption because, as we all know, discretionary funds often give rise to acts of corruption. On the other hand, a constitutional reform also gave full autonomy and independence to the prosecutor, attorney general, and comptroller general. There is also a reform regarding the prohibition of domestic debt without collateral and the nonissuance of currency without reserves. At that time people demanded several constitutional reforms. Now the situation is different.

As for the economic aspect, I cannot give you many details, but at the end of 1993, inflation was at 11.6 percent, which is a substantial reduction from 14 percent in 1992. This year we are aiming for a 10-percent inflation rate. The foreign debt has been reduced by $174 million. The internal debt of the Bank of Guatemala to the central government has been reduced by $484 million quetzales. The national currency has been stabilized and strengthened. In addition, for the first time in many years, international monetary reserves have reached $801 million. The situation is different despite the widely known difficulties and circumstances.

As for the social aspect, I found a nation immersed in total chaos and without any confidence to participate. Now there is administrative and economic decentralization and a drive toward increasing social participation. Above all, based on the principles of honesty, clarity, and authority, the Guatemalan community participates in social projects. As a result, and based on available information, I think the situation has changed.

In terms of investment, operational costs represented 60 to 65 percent of the budget, yet the government was never able to reach a 30-percent investment level. It was never able to invest more than 20 percent. Now the budget has a 28-percent investment level and 50-percent operational costs. In 12 months we have been able to do what was not achieved in many decades: invest 67 percent of the full amount programmed. Previous governments were only able to achieve 35 to 40 percent. That is the difference between the previous and current situation. [passage omitted]

[Gudiel] Mr. President, you were a renowned human rights ombudsman. Everyone knows that you did an excellent job, and that is why virtually everyone asked that you be chosen to replace President Serrano Elias. What is the current human rights situation? For example, what is the status of the notorious obligatory military recruitment, an everyday news story that receives a lot of attention from the people and the media. What is your view on this issue, and how can this recruitment, which is undoubtedly needed to maintain the Army, be done without harming the rights of the citizens being recruited?

[De Leon] With regard to an overall reply on human rights, I am not the one to give this answer. It is the institution in charge of this matter, it is the human rights ombudsman; he will issue a report at the year's end. There is also Monica Pinto at the international level. We currently have a list of recommendations from [name

indistinct] as well as from Monica Pinto. We are trying to comply to the greatest extent all the recommendations.

We believe that at the end of the year we will have a very, very positive report. Of course, this does not mean that no more individual human rights violations will occur; the main source of these violations is political violence, the internal armed conflict. I pointed this out when I was ombudsman, and I repeat this now. Until this internal armed conflict is solved, the main cause, the main source of these individual human rights violations will not be eliminated. I am referring to the right to life, physical integrity, dignity, security, freedom, and so forth.

Now, as far as economic, cultural, and social human rights are concerned, these continue being violated, however, here I am referring to a more structural matter. Nevertheless, what is true is that no government can accuse this government of engaging in systematic violations, as a result of a government policy, a state policy. This no longer exists. Here I make a comparison once again. When I took office I found a situation of human rights violations, I dare not say as a government policy because at that time a policy such as that no longer existed. Currently, however, there is a very big difference. Here I am going to repeat the words I spoke as ombudsman about human rights violations. There can be no conditional response to this if human rights have more or less been violated. Either they are respected or they are violated.

In this case, I seek to leave my successor a legacy of a nation where human rights are totally respected. In those cases—as happens in any part of the world—where a human right is violated, the person responsible must be tried and punished, no matter who it is and what institution he belongs to. This is in broad terms. I would like to say that for me it is very satisfactory that the situation is different, even though there are still isolated problems.

With regard to military recruitment, in principle, as I have always said, this is a right but at the same time a duty. This is set out in the Constitution, it is not the Army that decides there must be recruitment, rather this is a constitutional duty. This is stated in the Constitution.

There have been three types of problems—I pointed this out when I was ombudsman—and they continue occurring although on a much lower scale. We have data, statistics on these problems. One has to do with discrimination, the second is the methods used, and the third has to do with cases in which minors are involved. One must acknowledge.... [pauses] the very defense minister acknowledged the other day, that there are problems, of course errors exist. Nevertheless, this year a very special phenomena has occurred. That is, in the majority of the departments there has been a large voluntary flow of young peasants enlisting. Maybe it is for the salary, or due to necessity, in any case they come of their own free will. We have statistics on this. This has avoided greater problems, although they continue to exist, this must be acknowledged. What are the solutions? One is in the law. There is a draft bill that was presented some time ago to the Congress; however, it has been placed on the back burner. I do not think there is any hope that this Congress will pass this law.

[Gudiel] That will not be until after 14 August....

[De Leon, interrupting] That is a possibility. The solution is there, a law. Subsequently, as you said at the beginning of your question, we must take into account reality. The army anywhere in the world where it is organized constitutionally, as in Guatemala, is an army that requires recruitment. Logically this must be in a form regulated by the corresponding laws, and in this case it should be. Now, we must recall that there is still an internal armed confrontation going on. Anyone who says there should be no forced recruitment is either naive or wants the Army to not have the means to face a subversive group. He does not want to face the situation, and face an obligation, the goal for which the Army has been constitutionally created. That is, to maintain the nation's domestic peace and security. That is the reply to that question.

Now I believe this is part of an overall situation we are experiencing that is drawing us closer to peace. As I did not touch the political aspect of this issue I want to take this opportunity to explain the peace process situation as it was one year ago and how it is now. A year ago this process was totally bogged down and we have never been so close to peace as now. An overall human rights agreement has been signed. This was the Gordian knot that one year ago did not allow the process to advance. A timetable has been signed. In this timetable there is a cease-fire slated for September. We have hopes that the cease-fire will take place before, we have hopes that the URNG will accept it taking place before. Nevertheless, by September there must be a demobilization and in December the signing of the peace agreement.

[Words indistinct] there is a great difference. When I took office on 6 June, the process was totally bogged down. There was no credibility in the peace process. Currently we are one step from achieving peace; however, this is the most difficult step. This is why there currently is terrorism, this is why there is upheaval, this is why there is a series of created, provoked deteriorations. I fear that the current URNG philosophy, strategy—given it is not prepared to join national political life—is to prolong the situation. This is the reason for the acts of terrorism, this is the reason for the provoked upheavals, this is the reason the very xenophobia was created in some places. It was not by chance that these problems arose.

I have taken this opportunity to touch on the issue of peace because it embodies the overall human rights agreement. It also draws us to something very important: that Guatemala can end the internal armed conflict that has been going on for more than three decades. This has

left behind a balance of hundreds of thousands of dead, widows, orphans, shedding of tears, destruction, desolation, hate, and resentment. When the end of this armed conflict comes, we will be faced with an even more difficult task: for this to be a lasting peace. For this we must continue combating poverty, eliminating those possible causes that could give way to new discontent. Because in a country....

[Gudiel, interrupting] This is what practically gave origin to the problem....

[De Leon, interrupting] To some extent yes. At that time, it was a mixed political-ideological situation. Currently the flag could be merely economic. This is what must be avoided so that this current effort, ending the conflict and attaining peace, is for something. That is, that in our country all those dead, all that blood that was shed, not be repeated. That it be a lasting peace. This is why we must give macroeconomics a human face, a social face. We must combat poverty, this is the core of our government program. Take those small projects, which I mentioned a while ago and commented on by some, those 12,000 almost 13,000 small projects we concluded in 12 months. Those projects have not only supplied potable water, electricity, pedestrian crossings, telephone service, and others, but they have given back hope. This is the most important; the return of hope to a people who had lost it. Before this hope was returned they were probably easier prey to the guerrilla's language, to their words. This no longer holds true. Currently a hamlet such as [word indistinct] where potable water supply was taken, the leaders themselves said: Here there is not a remote possibility that someone will get involved in some [word indistinct] movement, in some guerrilla movement.

We now realize that we can improve our standard of living; we can emerge from those situations of wantonness, if water is supplied, if electricity is supplied, if there is honesty, if there is social investment, such as we are currently doing. [passage omitted]

Foreign Minister Views Nonaligned Movement Summit

PA1006183194 Guatemala City SIGLO VEINTIUNO in Spanish 9 Jun 94 p 3

[Report by Carlos Castanaza]

[Text] Foreign Minister Maritza Ruiz de Vielman reported yesterday on her participation in the 11th Nonaligned Movement [NAM] Ministerial Conference held recently in Cairo, Egypt. She explained that she had stopped the organization from accepting inaccurate proposals that attempted to obtain statements of support for the sovereignty and territorial integrity of Belize, thus, ignoring the existence of the territorial dispute.

Confronted with such attempts, her delegation acted to safeguard the country's interests and was able to get the NAM Declaration to be more balanced, limiting it to calling upon Belize and Guatemala to discuss and resolve the dispute, which had not been achieved at this forum previously. She asserted that the government agreed with the NAM statement because Guatemala's position had not been omitted. To the benefit of both parties, the declaration backed the negotiations and, by not polarizing the situation, established the necessary climate for it, she added.

She highlighted as special achievements her participation as vice president of the conference and Colombia's selection to chair the next NAM presidential summit of member countries to be held in 1998. Above all, we managed to get a special pronouncement in favor of Guatemala—something that is uncommon—to support the efforts being made by De Leon Carpio to further the democratization and peace processes, she emphasized.

On ending, Vielman stated that the officials who attended the NAM Ministerial Conference had attempted to redefine the movement's role in the new international context and had reaffirmed its objective of furthering the developing countries' struggle to advance.

The meeting was attended by 130 delegates, of which 109 were from member countries. We took advantage of this situation and held bilateral meetings with most of the representatives at the meeting, she added.

Police Negotiating Arms Deal With Israel

PA1106022194 Panama City ACAN in Spanish 1956 GMT 8 Jun 94

[Text] Guatemala City, 8 Jun (ACAN-EFE)—The U.S. Government's influence over other arms manufacturing nations is making it difficult for Guatemala to equip the National Police properly, government sources reported today.

Deputy Government Minister Luis Augusto Merida told ACAN-EFE it is difficult for the government to obtain arms following the U.S. State Department's decision to ban the sale of arms to Guatemala because of the human rights violations in the country. He said, "we cannot deny the U.S. Government's influence over the rest of the world," because several countries, including Belgium and Germany, which had offered to equip the National Police, later changed their minds and refused. Germany also has endorsed the travel warning the U.S. State Department issued against visiting Guatemala because of attacks on foreigners.

President de Leon Carpio had earlier complained about certain governments, which he did not identify, for demanding that Guatemala keep crime in check while refusing to sell arms to civilian security forces because of human rights violations.

Merida said that, for the time being, the government is negotiating with Israeli manufacturers who can "provide a minimum of equipment." Merida expects a counteroffer to a proposal presented last week. The government

intends to spend approximately 20 million quetzals (some $3.48 million) for semi-automatic weapons and another 15 million quetzals (some $2.61 million) for vehicles for the National Police.

Merida, a former head of the Army's intelligence section, said: "We need semi-automatic, carbine-type rifles. We just cannot go on using six-shot revolvers" while criminals are better equipped. He estimates each rifle will cost $1,000. The expense will be higher than anticipated, however, because "it is more expensive to import arms from Israel than from the United States."

Merida said the State Department's ban is heeded by U.S. suppliers who fill orders from local Guatemalan dealers, who in turn sell the arms to civilians, not the Army. "Some local stores have stopped selling ammunition to the military," who purchased it for their personal arms, the source said. He added that he cannot buy arms for the police through local corporations because the owners refuse to deal with the Army, "either out of fear of losing their visas or their import permits."

The National Police, founded 113 years ago with a regulation enacted in 1955, has been in the sights of the international community, which has reported human rights violations.

Nicaragua

Army Chief Ortega Interviewed on FSLN, Future

PA1306171594 San Jose LA NACION in Spanish 29 May 94 pp 28A, 30A

["Excerpts" of "exclusive interview" with General Humberto Ortega, commander in chief of the Sandinist People's Army, by Luis Arturo Alvarez; place and date not given]

[Text] [Alvarez] Following the special congress held last week, there are rumors of division within the FSLN [Sandinist National Liberation Front]. In your opinion, what were the results of the congress?

[Ortega] Considering that the FSLN is the nation's largest party, I believe the greatest result was that the congress ended without the party being divided. Nevertheless, Sandinism has not completely escaped the great political, economic, and social polarization effecting all social strata of the nation.

[Alvarez] Many say that Sandinism still has not managed to find its identity. It seems unable to adapt to its role as an opposition party and does not find a definite ideological course. Where is the FSLN really headed?

[Ortega] The FSLN, as well as all parties in Nicaragua, must face the future to adjust to current world demands, which means analyzing reality by casting aside all those rigid ideological schemes and orthodox leanings.

[Alvarez] But is not just the opposite happening through a strong orthodox hegemony following the last Sandinist Congress?

[Ortega] I know Sandinism very well, and I can tell you that both opposing currents have among their membership representatives from both trends. Neither side is very rigid or defined.

In this sense there are more or less two orthodox points of view, but what is most important is not that heretics should become Christians or that Christians become heretics. It is important that both heretics and Christians agree with what is best for the country.

[Alvarez] To what degree will the Sandinist electoral future be affected, especially in light of the 1996 elections, taking into account its growing polarization?

[Ortega] To my way of thinking, the problem is not winning the 1996 elections. Why does a party want to win the elections if it is going to rule amid greater poverty, more disaster, and if there is no true way out and no true consensus? This country is going to be ungovernable. What is truly needed is that whoever wins should structure a government of true national unity.

[Alvarez] What role will you play within the FSLN once you leave the Army next year?

[Alvarez] No, I will not rejoin the FSLN. I believe I already played an historic role in the party. I am now playing another historic role as the head of a handful of revolutionary men like myself. We are giving Nicaragua an Army totally unconnected with the FSLN or any other political force.

I will dedicate myself to a very special activity by contributing to bring Nicaraguans closer through my experience, my point of view, and the degree of authority I have. I will not return to the FSLN, but I will always be a Sandinist. I have been making a concerted effort with Pablo Antonio Cuadra, an outstanding conservative intellectual, and with Cardinal Miguel Obando y Bravo. For six months, we have been working together to seek concrete solutions to specific problems.

[Alvarez] If representatives from various groups reach a consensus on this project to seek national conciliation, would you be willing to lead a new political group?

[Ortega] The core of the matter is that the nation's most important forces must reach a basic agreement, because, if the current situation continues, the big winner in the 1996 elections will be absenteeism and frustration.

The creation of a movement is feasible when several existing parties and other leaders who do not belong to any party can be incorporated. I do not want to spearhead this movement, but I would like to take part in it. We will see whether in this effort there is a need for some to go one way and others the other way, and if one has the desire to participate in this.

[Alvarez] In your eagerness to seek political consensus, could the FSLN pass you a bill for your flexible position with Violeta Chamorro's government?

[Ortega] I already have paid a political price with regard to the militant Sandinist sector. Nevertheless, I did what I had to do, and I have received the approval of many other citizens. I am convinced that it is even more important to save Nicaragua than to save the FSLN. The people now understand that polarized, confronted, or divided, all we produce is poverty.

[Alvarez] It is no secret that you and your brother Daniel Ortega currently have very large differences in your political concepts. To what do you attribute this distancing between the two of you?

[Ortega] I am currently in a very difficult situation, because I have against me the Sandinist leaders of the two political currents. I am criticized because a process of hegemonism still prevails, and maybe the moderates believe that I can compete with them in this area. On the other side of the fence, they know that by my leaving the Army before the elections I might compete for the FSLN party leadership.

[Alvarez] Could we say that the differences between you and Daniel Ortega boil down to fact that he wants to maintain the party leadership at all costs?

[Ortega] Every leader undoubtedly wants to be in control of his movement. It has fallen upon Daniel to lead the most needy sectors. By working and sharing every day with the most resentful groups—people who expected greater benefits from the government and yet did not obtain them—his feelings have hardened. He cannot exercise his leadership through conciliatory positions, because the people who have fallen into despair because of their economic situation do not understand any other position. I, however, am playing the institutional role. I am seeking to leave the nation's Army removed from any political party.

[Alvarez] You now speak of conciliatory positions, but your refusal to leave the Army was one of the causes that produced greater confrontation and instability in Nicaragua. How can you explain this?

[Ortega] What is most important here is that we reached an agreement with Violeta Chamorro's government, and we are all happy to have reached a consensus on this issue.

[Alvarez] But, could this have been reached earlier, thereby avoiding confrontation?

[Ortega] The problem is that this matter cannot be assessed in terms of individuals. I could not leave without having the Military Law approved. I have played a leading role in the Army, considering the lack of a more specific law. If the Military Law's approval is obtained at the Legislative Assembly, the Army will not function so much in terms of individuals. Instead, it will be ruled on institutional grounds.

I could not leave under the conditions that prevailed last year, because I was not ready at that time, and also because I was subjected to a series of events that were not the most tasteful.

[Alvarez] Do you believe that Major General Joaquin Cuadra, who has been mentioned as your possible successor, will continue the work you initiated in the Army as you have planned it?

[Ortega] I believe he can, because it is not a matter of placing one man in charge of this task. No matter who is at the helm, he will continue the work within an institutional framework and within a very specific timeframe—that is, five years. It is no longer a matter that he be another Humberto Ortega. Instead, he will sail on another course.

Panama

Official: 200 Haitians Request Asylum in 2 Years

PA1406031194 Panama City LA PRENSA in Spanish 12 Jun 94 p 3A

[Report by Manuel Alvarez Cedeno]

[Text] The National Office for Attention to Refugees [Oficina Nacional para la Atencion de los Refugiados, ONPAR] has reported that, since the Haitian political crisis broke out two years ago, approximately 200 Haitians have requested political asylum in Panama, but only 27 have qualified to receive it.

ONPAR Director Jose Javier Mulino told LA PRENSA that, since Jean-Bertrand Aristide was ousted, some 200 Haitians have requested refuge in Panama and that, of these, only 27 have qualified and nine cases are currently under study.

"We studied all the requests and confirmed that only 27 are classified as victims of political persecution by the regime of dictator Raoul Cedras," Mulino explained. The ONPAR conducts these analyses jointly with officials of the Endara administration and the UNHCR office. Mulino explained that to obtain political asylum the person must prove he is truly being politically persecuted.

Official Discusses World Merchant Marine Fleet

PA1106204294 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Jun 94

[Report by Alexandra Ballestas from the "RPC Television News" newscast]

[Text] Captain Jose Delgado, the deputy director of the General Consular and Ships Directorate, reported to RPC that Panama has the largest merchant marine fleet in the world because it offers many facilities.

[Begin Delgado recording] Panama occupied second place for a long time. However, due to our aggressive

policy, Panama was able to take first place from Liberia in June 1993. [end recording]

Capt. Delgado explained that the flagging of ships dropped considerably when Panama suffered its economic crisis in 1989.

[Begin Delgado recording] We lost a bit less than 2 million tons during the crisis. Immediately thereafter, in 1990, however, we started an aggressive program and visited the main ship owners, participated in the main international maritime events, and more importantly, attended events at the International Maritime Organization. This organization is seated in London, and all the international maritime agreements and norms are debated there. Our program prompted ship owners to regain confidence in us, and they have given us their support. [end recording]

The principal countries that request Panamanian flagging are Japan, Greece, Hong Kong, and Korea.

Cabinet Studies Budget Cutbacks

PA1106175794 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Jun 94

[Report by Ciro Ortega from the "RPC Television News" newscast]

[Text] The issue of the budget cutbacks, which will negatively affect all government institutions, is being studied at the Palace of the Herons for the second consecutive day. A special cabinet meeting to continue discussing the issue was held this afternoon. Planning Minister Delia Cardenas said she thought the situation was not so grim.

[Begin Cardenas recording] It amounts to a $198-million budget cutback. This, however, is not a Greek tragedy. Do recall that I told you we had invested $409 million last year and the we still have $412 million. I hope the $412 million is invested as budgeted. [end recording]

Delia Cardenas reported that every minister and his economic analysts have evaluated the priorities in their work programs and that the cutbacks would be made where they caused the least damage to national interests. The special cabinet meeting is basically studying the programs to be suspended and will approve or disapprove them. Cardenas added that the National Economic Council will meet with the National Assembly Budget Commission members next week to evaluate the situation.

Education Minister Marco Alarcon commented on the situation and said that several education programs will be negatively affected by this action:

[Begin Alarcon recording] The [Education Ministry] cutback will amount to approximately $7.5 million and will have a very negative impact on the entire education sector. We will be unable to meet the demands for new classrooms. The computer education program will have to be brought to an almost complete standstill and will not advance at the speed we wanted it to, and we will not—this is very important—be able to repair and maintain existing schools. Also, it will be very difficult for us to cover the school furniture deficit. [end recording]

The budget cutbacks are the result of loan curtailments by the International Financial Institutions. Those organizations will implement this measure because Panama did not comply with several conditions for the loans, such as the approval of laws to deal with electricity pilfering at the IRHE [Institute of Hydraulic Resources and Electrification], the elimination of special retirements, the implementation of the privatization process, and the reduction of government payrolls, among others.

As they arrived at the Palace of the Herons, all the ministers pointed out that, although the budget cutbacks will limit the government's projections, they will not be so decisive that they tarnish the work carried out by the Endara administration.

Argentina

Americas', Argentina's Stand on Haiti Likely To Be Summit Issue

PY1306222694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2001 GMT 10 Jun 94

["Special item" by Jose Maria Monzon]

[Text] Buenos Aires, 10 Jun (NA)—The Fourth Ibero-American Summit that will be held next week in the historical Colombian city of Cartagena de las Indias threatens to be an improvised forum to debate the Haitian situation. What causes even more concern is the foreboding of another political altercation between Argentina and the rest of Latin America.

The participation of President Carlos Menem and Cuban leader Fidel Castro also presupposes the possibility of a "quarrel" parallel to the summit, or at least leaves the door open for a verbal skirmish like at the summit in Salvador, Bahia [Brazil].

Seeking to gain the attention of the participating chiefs of state, Menem has sent a letter in which he proposes that they work on a project that contemplates respect for the cultural and ethical values of the region. It is doubtful this hazy proposal will divert attention from a topic that has top priority for the continent: The need to restore deposed Haitian President Jean-Bertrand Aristide, that country's first democratically elected president, to the presidency.

Latin American governments know sooner or later they could face a situation similar to the one in December 1989 when the United States unilaterally invaded Panama on the pretext of extraditing General Manuel Noriega.

The constant failure of the United States—of Washington in the first place, but the failure also has a hemispheric tendency—to resolve the situation that began in Haiti in 1991, could prompt the unleashing of this new crisis. The foreboding is based on the fact that Bill Clinton personally announced the possibility of a U.S. military invasion followed by a new multinational experiment in how to create a democracy.

Latin American government fear centers on the fact that unilateral U.S. action would weaken the Inter-American consultation system represented first by the OAS and second by the Rio Group. The wounds opened in the region by actions in Panama and Grenada in the 1980's have yet to heal.

From what is known at the present time of the U.S. strategy, it can be surmised that an eventual invasion of Haiti will be the exclusive responsibility of the United States, but a second stage will require the participation of the rest of the Americas.

It is here where Argentina differs from the other countries of the region because no other Latin American government seems to be convinced of the benefits of an armed expedition that seems to be more related to placating the internal criticism that Clinton has to suffer than to benefiting suffering Haitians.

Those responsible for Menem's foreign policy stressed that they have stated as a condition that at least one other Latin American country should give its guarantee and cooperate, but these concepts only seem to be of a formal nature because Buenos Aires—this is already known—is the only capital that has not objected to any decision by Washington during the past 3 years.

If a consensual solution is not arrived at regarding the way democracy is to be restored in Haiti, it is quite probable that the United States and Latin America will find themselves on opposite sides of the street. If this happens, the position of the Argentine Government is already known—beginning with its obsession for unrestricted alignment.

CGT Head Views Social Unrest Over Unemployment

PY1006231494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1531 GMT 9 Jun 94

[Text] Buenos Aires, 9 Jun (NA)—Speaking in Switzerland, Antonio Cassia, the General Confederation of Labor (CGT) secretary general, noted today: "Social unrest may grow in our country if we do not provide solutions" to the unemployment problem. He said unemployment in the federal capital and in Buenos Aires Province "has increased to about 12 percent."

Cassia said: "Social unrest will grow daily if quick solutions are not found," adding: "Prevention is always better than cure."

The trade union leader said the unemployment rate growth "is worrisome," adding: "If we compare our unemployment rate with other parts of the world, maybe it has not grown that much, but it is very indicative for Argentina."

In remarks to a Buenos Aires radio station from Geneva, where he is participating in the International Labor Organization (ILO) Annual Assembly, Cassia stressed this morning that "there are unfair wages" in Argentina.

Cassia pointed out: "We have provinces whose budgets are poorly allocated and whose three branches of government are paying fair salaries. But the workers are not asking for better wages; they just want to get paid."

Cassia added: "Provinces like Chaco, Salta, and Catamarca have not paid their workers for four to six months."

The oil workers union leader said: "The world's unemployment problem causes poverty, neglect, and specially social outcasts."

He added: "This problem involves all liberal economies." He said that, since listening to UN Secretary

General Butrus Butrus-Ghali's speech this morning, "this issue is being taken very seriously."

During his speech to the ILO General Assembly yesterday, Cassia said the CGT rejects any attempt "to regulate the free collective bargaining system in our country."

He indicated: "We are willing to agree and not to dissent, but this does not include undue acceptances or complicity with interests contrary to our interests."

Cassia added that economic changes in Argentina "must be implemented based on the existence of investment policies, with real participation of the workers in transformation processes, employment policies, and environmental protection."

The trade union leader stressed: "We accept changes that will improve the Argentine economy, taking into account the social and labor situation through everyone's effort and equally shared burdens. We reject changes that seek to reduce the trade union presence as an balancing factor or seek to cause arbitrary and unfair deterioration of work standards."

Cordoba 'Virtually Paralyzed' by Rally Protesting Economic Policy

PY1406005794 Buenos Aires LA PRENSA in Spanish 11 Jun 94 Section 1 p 2

[Excerpt] The city of Cordoba was virtually paralyzed at 1000 yesterday. More than 10,000 workers took to the streets to participate in the largest labor rally in the past decade. The movement was headed by the so-called Movement for Union Organization and Action. Workers are protesting over the national economic policy and demanding a general salary increase in the province. The column marched through the downtown area surrounded by 1,000 police agents. There were no serious incidents, but noise bombs detonated by demonstrators did destroy one shop window. Governor Eduardo Angeloz admitted "the legitimacy of the workers' claims." He said: "Their protest and claims are reasonable, but regrettably I cannot satisfy their demands because the economic situation does not allow me to do so."

Some 88 labor organizations participated in the march. Even the police supported it, promising to carry out only "preventive activities for demonstrators security." The schedule called for the workers to leave their place of work at 1000 and gather on the corner of Colon and General Paz Streets in downtown Cordoba. The first groups to arrive were road workers and post office workers. They were followed by court employees and civil servants. Sanitary workers and teachers, the most numerous group, joined them shortly afterward. Representatives of the 80 unions arrived around noon. President Menem's administration and Eduardo Angeloz' government were the main topic of the protest songs. [passage omitted]

Rodolfo Barra Appointed New Justice Minister

PY1006183194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1621 GMT 10 Jun 94

[Text] Buenos Aires, 10 Jun (NA)—President Carlos Menem today appointed former Supreme Court Justice Rodolfo Barra as the new justice minister.

The announcement was made by Barra shortly after 1300 at the press room of the Olivos presidential residence following a meeting with the chief of state.

Barra will be installed at 1800 on 16 June. He replaces Jorge Maiorano, who will be the new ombudsman.

Menem Accepts Resignation of Culture Secretary

PY1306171194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1920 GMT 10 Jun 94

[Text] Buenos Aires, 10 Jun (NA)—President Carlos Menem this afternoon accepted the resignation tendered by Argentine Culture Secretary Jose Maria Castineira de Dios, who will reportedly be replaced by writer Jorge Asis.

In a brief chat with journalists accredited to the Olivos residence, Media Secretary Raul Burzaco said that the president had accepted the resignation tendered by Castineira de Dios, and offered this post to current Argentine Ambassador to UNESCO Jorge Asis.

The reasons for the culture secretary's resignation were not officially reported.

Castineira de Dios' replacement, who is still the Argentine ambassador to UNESCO, recently made a public announcement that he plans to run in the Buenos Aires Justicialist Party primaries for Buenos Aires mayoral candidate in the upcoming elections.

Legislators Support Eliminating Compulsory Military Service

PY1306164094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2227 GMT 10 Jun 94

[Excerpt] Buenos Aires, 10 Jun (NA)—Defense Minister Oscar Camilion today indicated that "some figures must still be adjusted" to carry out President Carlos Menem's order to eliminate compulsory military service. Camilion noted that it must still be determined whether the new system "can be implemented overnight, or whether it requires a process of adjustment."

Camilion agreed with Lieutenant General Martin Balza, Army chief of staff, that "no deadline" has been established for carrying out the presidential order.

Justicialist Party and Radical Civic Union Party legislators this afternoon supported the president's decision to eliminate compulsory military service, and stressed that this measure "has been requested extensively by the whole of Argentine society."

A little over two months ago, the public became engaged in heavy discussions over whether or not it was appropriate to maintain the system of compulsory military service, after the killing of conscript Omar Carrasco at a garrison in the town of Zapala, Neuquen Province.

Congress became a sounding board for this controversial issue, as a military service bill that has already been approved by the Chamber of Deputies is currently being reviewed by the Senate Defense Committee.

The defense minister made it clear that the decision was made by the executive branch, "but Congress will have the last word in determining a way to replace compulsory military service with a professional system."

Concerning the deadlines considered by the government for implementing the measure, the minister pointed out that "there are no deadlines," but estimated that "a few weeks will be required."

The defense minister indicated that the project "was discussed by the cabinet today, and the president believed it was wise and advisable to announce it publicly."

Concerning the budget issue, Camilion said: "In principle it is being reviewed, to see if the idea is viable." He added: "The figures must still be adjusted."

The minister also explained that "no deadlines have been estimated" for the elimination of compulsory military service, because it is very important to determine first "whether it can be implemented overnight or whether it requires an adjustment process." [passage omitted]

Chilean Foreign Minister on Continental Glaciers' Issue

PY1006173494 Buenos Aires CLARIN in Spanish 9 Jun 94 p 12

[Text] Chilean Foreign Minister Carlos Figueroa Serrano on 8 June did not rule out the possibility of his country ultimately asking for arbitration on the Continental Glaciers issue if the bilateral agreement on the Continental Glaciers remains frozen in the Argentine Congress (its approval has been pending for two years).

Figueroa noted that during his official visit to Argentina he reviewed this sensitive issue with his Argentine counterpart, Guido Di Tella, on 8 June and both arrived at the following conclusion: "We, the governments, already have done our part." The foreign ministers now believe it all depends on the Congresses.

When CLARIN asked him if his remarks meant that he ruled out the possibility of resorting to arbitration, as established in the 1984 Peace and Friendship Treaty, Figueroa—visibly annoyed—responded: "I did not say that, but we do not rule out any possible solution ... all possibilities remain open."

During a news conference at the National Foreign Service Institute [ISEN], Figueroa, who was joined by Di Tella, Argentine Ambassador to Chile Eduardo Iglesias, and Chilean Ambassador to Argentina Eduardo Rodriguez, stressed that the Argentine Government does not believe Chile would ultimately ask for arbitration as compensation for a possible adverse ruling in the Laguna del Desierto arbitration.

This possibility had been discussed at ISEN by Foreign Ministry Secretary General Andres Cisneros and prompted an information request by Peronist Santa Cruz Deputy Rafael Flores, one of the rebels preventing the discussion of the Continental Glaciers agreement.

Without citing any names, Figueroa noted: "There cannot be any other official message from the Argentine Government but the one voiced by Di Tella."

High-ranking Foreign Ministry officials speculate that after November, when the arbitration court will issue a ruling on the Laguna del Desierto case surely favoring the Argentine position, Chile reportedly will seek arbitration on the Continental Glaciers to compensate for this possible diplomatic defeat.

Italian Government Requests Extradition of Former Nazi Officer

PY1306201294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1928 GMT 10 Jun 94

[Excerpts] Buenos Aires, 10 Jun (NA)—It has been officially announced that the Italian Embassy in Argentina on 10 June submitted to Foreign Vice Minister Fernando Petrella an official request for the extradition of former Nazi officer Erich Priebke, who is charged with participating in the murder of 335 Italians during World War II.

The Foreign Ministry also announced that Foreign Minister Guido Di Tella immediately ordered that the request be sent to the federal court in Bariloche City, which is presided over by Judge Leonidas Moldes, who is hearing the case involving Priebke's arrest.

The Foreign Ministry official communique states that the extradition request was submitted to Petrella by Italian Ambassador to Argentina Giuseppe Maria Borga.

It was unofficially reported on 8 June that Italian authorities would officially file for the extradition of Priebke on 10 June.

The Foreign Ministry communique adds that the request was checked against the current extradition treaty between Italy and Argentina and then mailed to Judge Moldes "following the participation of Interpol and a Foreign Ministry official." [passage omitted]

Discussions will now surely ensue about deadlines for meeting the request.

Priebke's attorney, Pedro Bianchi, believes "at least two years" will pass before his defendant's extradition will be approved. Bianchi said he has no objection to "the charges on which the extradition request is filed," but added that there are "some mistakes in the resolution" signed by Italian Justice Minister Alfredo Biondi.

Ruben Beraja, head of the Delegation of Argentine-Jewish Associations (DAIA), said: "There is concern at all government levels, including the courts, over resolving this case within a reasonable time."

[Italian Prime Minister] Silvio Berlusconi's new administration responded immediately to Priebke's remarks, when Liliana Ferrero, Justice Ministry Criminal Affairs secretary, announced that her government would request Priebke's extradition.

Alleged Shining Path Member Captured in Tucuman City

PY1306183294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1112 GMT 11 Jun 94

[Text] San Miguel de Tucuman, 11 Jun (NA)—It has been officially reported in this city that an alleged member of the Peruvian Maoist organization Shining Path was arrested during a joint Federal and Tucuman Police operation. The alleged terrorist, identified as Jorge Diaz Reategui, was captured at a hotel in the poor district of El Bajo, near the city bus terminal. At the time of his capture, Reategui was with other alleged guerrillas, who managed to escape.

Judge Ricardo Maturana is in charge of Federal Court No. 2 of this city. On 10 June he questioned Reategui, but the details of the questioning have not been released.

Police sources have said Reategui had been under very strict surveillance by the Federal Police.

It has been suggested that this province is a refugee camp for Shining Path members who clandestinely cross the border and train Peruvian and Argentine militants who support their ideology.

Navy Seizes Taiwanese Trawler Fishing Illegally

PY1406004794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1939 GMT 11 Jun 94

[Text] Buenos Aires, 11 Jun (NA)—It was officially announced here that the Argentine Navy corvette "Parker" has captured the Taiwanese fishing trawler "Man Wei III" which was operating without a permit inside the Exclusive Economic Zone. The seizure occurred 199 miles east of Cabo Blanco, off Santa Cruz Province, where the Navy detected the "potero," which is how squid fishing boats are known here. The Taiwanese boat obeyed the order to stop and was boarded by a Navy Visiting and Registering contingent.

The Argentine Navy released a communique saying that the "Man Wei III" did not have a permit. On deck, in the hold, and in the tunnels [as received] were several metric tons of fresh squid.

A recent resolution issued by the Agriculture, Livestock and Fishing Secretariat forbids the fishing of squid south of Parallel 43 30'.

The "Parker" is escorting the Taiwanese fishing boat to Port Madryn where it will arrive on the night of 12 June. The appropriate authorities will then take over the investigation.

Roundup of Economic Reports

PY1006234394

[Editorial Report] The following is a compilation of reports on economic activities in Argentina monitored through 9 June.

Argentina's balance of trade for the first four months of 1994 produced a deficit of $2.4 billion, 380 percent greater than the deficit in the same period last year, according to Indec, the Institute of Statistics and Census. The figures published yesterday show that April's deficit was $556 million, which is slightly less than the deficits of $714 million, $525 million, and $609 million in January, February, and March respectively.

Meanwhile, Economy Minister Domingo Cavallo said yesterday that the deficit wasn't worrisome, as one has to consider the 'vigorous investments being carried out and the growth that this brings.' Cavallo said, however, that the deficit 'will give rise to a lot of pressure from many sectors to restrict imports,' although he made it clear that the government would not go back on its liberalization policies.

On the positive side, the Indec statistics also show that activity levels are growing, the investment rate is up, the consumption rate is down, and the national savings rate is increasing. The figures also show that the export of manufactured goods is increasing. (Buenos Aires BUENOS AIRES HERALD in English 7 Jun 94 p 7)

According to data supplied by Indec, the trade balance deficit since April 1991, when the convertibility program was launched, amounts to some $5 billion. Between January and December 1991 a trade balance surplus of 3.7024 billion pesos was achieved; for the April to December 1991 period the surplus was 2.655 billion pesos. The trade balance deficit for 1992 was 2.8735 billion pesos; in 1993 3.6658 billion pesos; and 1.1133 billion pesos during the first two months of 1994. (Buenos Aires LA PRENSA in Spanish 3 Jun 94 p 6)

Inflation in May was 0.3 percent, bringing the annual rate for the year ending May 31 to 3.4 percent, the Indec census bureau said yesterday. Inflation last month was due mainly to the 4.5 percent rise in electricity and gas prices, which had a strong influence on the final figure. Prices have risen 0.8 percent so far in 1994.

According to the same statistics, wholesale prices in May went up by 0.6 percent, while construction costs were up by 0.3 percent.

As to retail prices, housing costs increased by 1.6 percent while health costs were up 0.8 percent, a rise caused mainly by the 1 percent rise in the cost of medicines. The price of housing equipment was up 0.6 percent, clothing was up by 0.5 percent, education 0.3 percent, and general goods and communications rose by 0.1 percent.

The cost of food and beverages, which are usually a large part of a family's expenditure, were unchanged from the previous month, although the prices of some products went up: oranges up 10.6 percent, bananas up 4.2 percent, fresh cheese up 3.8 percent, and eggs up 3.4 percent. These were offset by a drop of 0.5 percent in meat prices.

After 38 months of convertibility, prices have gone up generally by 54.2 percent. (Buenos Aires BUENOS AIRES HERALD in English 4 Jun 94 p 7)

A group of Petroleum Industry Chamber, CIP, entrepreneurs today informed President Carlos Menem that global petroleum industry investments in Argentina would total more than $15 billion through the year 2000. CIP President Jorge Brea indicated: "Investments totaled $1.1 billion per year between 1986 and 1990. Investments will total $2.1 billion per year between 1991 and 1995, and $2.3 billion per year between 1996 and the year 2000." Brea also told Menem that following deregulation, crude oil production in Argentina grew from 28 million cubic meters in 1990 to a record 34.6 million cubic meters in 1993. Brea said that this year's projections for crude oil production total 38 million cubic meters. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 1727 GMT 8 Jun 94)

The Economic Programming Secretariat today reported that gross fixed domestic investments grew 34 percent during the first quarter, as compared with 1993. Tractor sales and capital goods accounted for the largest growth rates. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 2249 GMT 6 Jun 94)

YPF, Government Oil Deposits, has reported that oil production grew 11.79 percent during the first quarter, totaling 12,012,748 cubic meters. Oil production totaled 10,745,531 cubic meters during the first quarter of 1993. (Buenos Aires LA PRENSA in Spanish 8 Jun 94 p 5)

President Carlos Menem this morning signed a decree approving the Japanese automobile manufacturer Toyota's plans to establish production in this country. Toyota will invest about $150 million here, and will employ some 800 people. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 1343 GMT 8 Jun 94)

Bolivia

COB Congress Reelects Salas Executive Secretary

PY1406004594 La Paz Television Nacional Network in Spanish 1700 GMT 10 Jun 94

[Text] Oscar Salas has been reelected to the post of executive secretary of the Bolivian Labor Federation [COB]. Julio Roca Laguna reports on the 10th COB congress from Tarija:

[Begin recording] [Roca] Up to now five of the seven commissions that have been established have submitted their reports to the 10th ordinary congress of the COB being held in Tarija. The Political and Organization Affairs Commissions have yet to submit their reports. The latter report is drawing more attention because it centers on the COB reorganization.

Moreover, the Economic Affairs Commission has made the following recommendations: the safeguarding of properties of state-owned companies and the reactivation of mines; the issuance of a statement against the privatization of the National Road Service; the disbursement of $7 million to build the Jaime Mendoza highway.

In its report, the Peasant and Agricultural Affairs Commission repudiates the concentration of land in the hands of a few and calls for a halt to the plundering of Bolivian forests and jungles. Regarding the coca leaf issue, the commission disavows Law 1008 because it is unconstitutional and demands the repeal of Article No. 2 of the coca industrialization decree. [end recording]

According to the FIDES news agency, the 10th COB congress closed before dawn today with the election of a [word indistinct] fifth executive committee. The report states that Oscar Salas Moya has been reelected as COB executive secretary. Salas is a member of the ASD [Democratic Socialism Alternative]. Juan Chavez, a factory workers' union representative and member of Conscience of the Fatherland Party, was elected first secretary general. Juan de la Cruz Villca, a peasant group representative, was elected second secretary general. They were elected along with 36 others from the ASD, MBL [Movement for a Free Bolivia], MNR [Nationalist Revolutionary Movement], USC [Solidarity Civic Union], MIR [Movement of the Revolutionary Left], Axis [National Convergency Axis], and other independent parties.

Banks To Adopt Measures To Prevent Money Laundering

PY1406001494 Madrid EFE in Spanish 1806 GMT 10 Jun 94

[Text] La Paz, 10 Jun (EFE)—The Banks Superintendency, the Association of Bolivian Banks, and financial organizations have decided not to lift the bank secrecy but to implement a code of ethics to prevent the Bolivian banking system from engaging in money laundering.

This and other agreements were reached at the end of a seminar on money laundering held in La Paz, sponsored by the United Nations and attended by drug enforcement experts.

The possibility of lifting the bank secrecy was ruled out during the seminar and it was announced that a draft code of ethics for bankers would be proposed seeking to safeguard the credibility of the banking system. It was also announced that mechanisms to control illegal operations will be implemented.

Banks Superintendent Ramiro Cabezas explained that "bank secrecy as such does not exist," because the law provides for the supply of information at the request of a judge investigating alleged illegal financial operations.

Cabezas said the Bolivian financial system, which is not yet contaminated by the money laundering, is very small in comparison with the volume of money "laundered" or legalized in the rest of the world.

According to the United Nations, $500 billion annually are laundered. Some $2.2 billion are deposited in the Bolivian banking system.

Javier Zuazo, president of the Association of Bolivian Banks, explained the need to include in the new banking law some mechanism to identify laundering and to punish those responsible.

Zuazo said: "One cannot overlook the evidence. It is a scourge that affects all financial systems of the world," adding that the banks "have the duty to supply information" in cases of deposits of dubious origin.

Superintendent Cabezas recommended some measures, among them the setting of a ceiling for cash operations to prevent laundering and the need for bankers to identify their clients in order to protect themselves from illegal operations.

Bolivia is the second coca producer in the world, after Peru, and the second drug processor in the world, after Colombia, although experts say the benefits of this illegal trade do not return to this country, the poorest in the region.

Supreme Court Justices Removed From Office

PY1406003794 La Paz Television Nacional Network in Spanish 1700 GMT 13 Jun 94

[Excerpts] Justices Edgar Oblitas and Ernesto Poppe have been removed from office and forbidden from serving in public office for 10 years by the Senate after being found guilty of malfeasance in office.

[Begin unidentified senator recording, in progress] ...remove Edgard Oblitas Fernandez as president of the Supreme Court and deprive him from public office for 10 years based on Article 3, Chapter 1, and Article 4, Part 1, of the law of 7 November 1890. To remove Ernesto Poppe as Supreme Court justice and deprive him from public office for 10 years based on Article 3, Chapter 1, and Article 4, Part 1, of the law of 7 November 1890. [end recording] [passage omitted]

Senate President Juan Carlos Duran said the Senate decision was based on the old juridical adage of emphasizing the positive and minimizing the negative. As such there is no prison sentence for either of the two justices. [passage omitted]

Roundup of Economic Reports

PY1306145494

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 9 June.

Private mining increased 41 percent in 1993, the highest growth in the past 50 years. This increase was prompted mainly by the expansion project implemented by the Inti Raymi Company, which invested $150 million to improve gold production. The Mining Association reported that gold registered a record production of 6.56 metric tons in 1993. Silver production increased 38 percent, and lead 14 percent. (Santa Cruz EL MUNDO in Spanish 28 May 94 National Section p 1)

Central Bank statistics show that gold exports generated 21 percent of the total value of mining exports in 1993, when they amounted to $76.3 million. They represented only 2 percent of mining exports in 1985, 11 percent in 1989, and 21 percent in 1993. Exports went from $21.9 million in 1992 to $76.3 million in 1993. (Santa Cruz EL MUNDO in Spanish 28 May 94 National Section p 2)

The National Statistics Institute, INE, reported that exports amounted to $216 million in the first quarter of 1994, an increase of 33.7 percent; imports totalled $253 million, a drop of 1.6 percent. Mining increased 18 percent, hydrocarbons 10.5 percent, and nontraditional exports 72 percent. (La Paz LA RAZON in Spanish 1 Jun 94 p B2)

Integration Under Secretary Victor Rico on 30 May reported that Bolivian exports to Chile dropped "dramatically" from $30 million to $12 million in the past three years. The commercial deficit, which totals $100 million, is caused by the restrictions imposed by Chile on some Bolivian products; by the export of certain products to other markets; and by the poor diversification of products offered by Bolivian exporters in the past few years. (Cochabamba LOS TIEMPOS in Spanish 1 Jun 94 p A8)

The Chamber of Exporters reported that Santa Cruz's exports totalled 73,103 metric tons at a value of $29.305 million in the first quarter of 1994, almost double the figure registered in the same period in 1993. This shows that the volume of exports increased by 75 percent, and its value by 98 percent. Peru is Santa Cruz' main market

with $12.4 million, Argentina with $5.1 million, and Colombia with $4.9 million. (La Paz PRESENCIA in Spanish 3 Jun 94 p 4)

On 31 May the INE reported that economic activity increased 4.3 percent in the year's first four months as compared with the same period in 1993. Hydrocarbons increased 11 percent; oil and gas production 19.8 percent and 10.7 percent respectively; mining 9.6 percent; manufacturing production 4.4 percent; services 7.4 percent; and energy 8.7 percent. (La Paz PRESENCIA in Spanish 1 Jun 94 p 1)

The National Chamber of Industries reported that industry continues to decline. A survey on industrial performance results in the fourth quarter of 1993 showed that sales dropped 6.0 percent; financing 3.7 percent; and production 0.4 percent. Industry, however, accounted for 16 percent of GDP despite the unfavorable results. (La Paz HOY in Spanish 3 Jun 94 p 20)

The INE reported that the inflation rate was 0.6 percent in May, 2.41 percent in the first five months of the year, and 8.14 percent over the past 12 months. Food and beverage prices increased 0.32 percent; clothing and shoes 0.38 percent; home appliances 1.2 percent; health 1.33 percent; transport and communications 0.23 percent; education 0.1 percent; entertainment and culture 2.28 percent; and goods and services 0.68 percent. (La Paz LA RAZON in Spanish 1 Jun 94 p B5)

The World Bank approved $15 million in credit to be designed for the state-owned companies capitalization program. This loan is in addition to the $50 million in credit agreed by the bank during Capitalization Minister Alfonso Revollo's visit to the United States. (La Paz PRESENCIA in Spanish 28 May 94 p 12)

Brazil

Lula Releases Plan for Creation of 8 Million Jobs

PY1306201194 Sao Paulo AGENCIA ESTADO in Portuguese 2318 GMT 9 Jun 94

[By Lucia Helena Gazzola]

[Text] Sao Paulo, 9 Jun (AE)—PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva today released the first major project of his campaign: "More and better jobs for Brazilians." The project, providing for the creation of more than 8 million jobs over the 1995-98 period, assumes that "the central axis of the policy for reactivating jobs will be expanding the level of investment in the Brazilian economy, which in 1993 was 16 percent of GDP, to approximately 25 percent." During an interview, Lula and project coordinator Aloizio Mercadante admitted what the text of the project says in its final part: The private sector will have to create "the bulk" of the new jobs.

"The private sector will have to make the bulk of investments, although I cannot specify the percentage of such investments," Mercadante said, adding that this will be possible only if the government creates the appropriate conditions. "If the government promotes development and reactivates growth, if it guarantees financial resources, and if it ends financial speculation, private investment will grow and will go to the productive sector," he said. Lula gave vague answers when asked whether there will be money for the project. "If there is no money, we will have to create it; we will make great efforts with the private sector, and will negotiate with entrepreneurs for a year to have them to join the National Solidarity Fund to be created in 1996 to promote the project, reminding them that the richest brackets are responsible for the recuperation of Brazil," he said.

For the "urgent" creation of jobs, the project provides for the implementation of a basic sanitation program (from 250,000 to 375,000 new jobs), the repair and construction of 25,000 km of urban highways (70,000 jobs), the construction of storage facilities with 6 million tons' capacity (70,000), a "revolutionary" education program (300,000), the recovery of Sao Paulo and Rio de Janeiro hospital beds (36,000), land reform (1,100,000), credits for investment in small estates (2,160,000), expansion of farm production (150,000), plus 500,000 jobs in urban areas caused by an annual 4 percent growth of farm production, 500,000 to 1 million new jobs created by increased production of small and mid-sized agricultural industries in the interior, investment in tourism (120,000), highway network maintenance (90,000), and a housing program (411,000). The PT also will encourage the creation of cooperatives, micro and small-sized enterprises, entrepreneurial partnerships, "enterprise nurseries," and the reduction of the work week to allow for the creation of new jobs.

"The task of creating jobs will be mostly a private sector responsibility," the project text says, noting that the state will implement a development policy that will encourage the creation of new jobs. To this end the PT claims that it is essential to expand the offer of credits for productive investment. "This will call for a comprehensive reform of the financial system, to end financial speculation." Among the sources of funds, the project mentions the FTGS [Severance Pay Fund] ($4 billion annually), the Fund for Protection of Workers ($5 billion annually), constitutional funds ($1 billion), the Social Development Fund, the National Education Development Fund, the PIS/PASEP [Social Integration Program/Government Employee Welfare Fund], and official development agencies and banks.

The project provides for the creation of two other funds: the National Solidarity Fund (made up of budget funds and the taxes on big fortunes), and the Productive Restructuring Fund. Lula said he also counts on foreign investment.

10 Officially Register as Presidential Candidates

PY1306200994 Sao Paulo AGENCIA ESTADO in Portuguese 2223 GMT 10 Jun 94

[Report by Rosa Costa]

[Text] Brasilia, 10 Jun (AE)—Ten people have registered at the Superior Electoral Court (TSE) as presidential candidates. The deadline for coalitions and parties to file their respective petitions expired at 1900 today. The TSE will review the documents submitted by the presidential hopefuls before officially approving their candidacies. The electoral timetable provides that the TSE will have to rule on petitions and appeals by 20 July.

The candidates are: Luiz Inacio Lula da Silva (PT) [Workers Party], Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party], Orestes Quercia (PMDB) [Brazilian Democratic Movement Party], Leonel Brizola (PDT) [Democratic Labor Party], Esperidiao Amin (PPR) [Popular Renewal Party], Flavio Rocha (PL) [Liberal Party], Eneas Carneiro (PRONA) [Party for the Redefinition of the National Order], Hernani Goulart Fortuna (PSC) [Social Christian Party], Walter Queiroz (PRN) [National Reconstruction Party], and Caetano Matano (PT do B) [Brazilian Workers Party—Partido Trabalhista do Brasil]. They represent 18 of the 21 parties—most of which have formed coalitions—that are qualified to nominate presidential candidates. The PP [Popular Party], the PRP [Progressive Republican Party], and the PMN [National Mobilization Party] are staying out of the race.

Only the PSDB and PDT candidates personally appeared before the TSE to submit their documents. All other candidates were represented by members of their parties.

Two petitions to register party names that are not legally constituted were also processed even though they do not have a provisional register. They are the PNSDC [National Social Democratic Christian Party—Partido Nacional Social Democratico Cristao] and the PTRB [Brazilian Labor Renewal Party—Partido Trabalhista Renovador Brasileiro]. In principle these petitions comply with legal provisions. They will be reviewed by TSE members at the beginning of next week. They must decide if the parties, the coalitions, and the candidates for president and vice president fulfill the requirements established by the party and electoral laws and the Constitution.

Government Launches Ricupero's Candidacy for WTO President

PY1306183694 Sao Paulo AGENCIA ESTADO in Portuguese 2141 GMT 9 Jun 94

[Report from Washington by AE correspondent Paulo Sotero]

[Excerpt] Mexican President Carlos Salinas de Gortari is sounding out the U.S. Government and other governments of developed countries about his chances as candidate for president of the World Trade Organization (WTO), the international organization created through the accords of the Uruguay Round of the GATT talks to replace the GATT secretariat. Sources in the Mexican Government and in the Clinton administration have confirmed that there have been consultations on this matter.

In Brasilia, an official source said that the Brazilian Government views the possible launching of Salinas' candidacy as normal, and no cause for concern. This week the Brazilian Government officially launched the candidacy of Finance Minister Rubens Ricupero for this post. Ricupero, who served earlier as the Brazilian ambassador to GATT, earned the respect of the formulators of international trade policies in Geneva because of the role he performed as chairman of the contracting parties at a difficult juncture of the long Uruguay Round negotiations.

According to Luiz Felipe Lampreia, the incumbent Brazilian ambassador to GATT, Ricupero's candidacy emerged naturally in talks with the GATT "inner circle"—with the support of European, Asian, and Latin American countries—after GATT Director Peter Sutherland announced that he is not interested in leading the new organization. An official source said: "Rather than launch Ricupero's candidacy, all the Brazilian Government did was take over an initiative originated by others." [passage omitted]

Two Unified Social Workers Party Leaders Murdered

PY1306174294 Sao Paulo AGENCIA ESTADO in Portuguese 2139 GMT 12 Jun 94

[By Neide Maria Silva]

[Excerpts] Sao Carlos, 12 Jun (AE)—Two Unified Social Workers Party (PSTU) leaders were murdered early today in Sao Carlos. Jose Luis Sundermann, 37, vice president of the Sao Carlos University Labor Union, and his wife Rosa Hernandes Sundermann, 37, were shot in the head while in their home. Jose Luis was shot once, and Rosa twice. [passage omitted]

Sundermann had been president of the Union for the past two years. He was also a member of the national executive board of the Federation of University Workers, and was a member of the executive board of the regional CUT [Sole Workers Central] branch. Rosa was a member of the PSTU national executive board, but joined the PT at the end of the 1970's. [passage omitted]

Sao Carlos University Labor Union President Antonio Donizete da Silva termed the murder of the two leaders a "political execution." [passage omitted]

Roundup of Economic Reports
PY1106030494

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 9 June.

Beginning in February, the Rio de Janeiro and Sao Paulo stock market operations experienced a sharp drop. The Sao Paulo stock market suffered losses in real value unit terms of 20.95 percent in April, while the Rio de Janeiro stock market lost 22 percent during the same period of time. (Sao Paulo GAZETA MERCANTIL in Portuguese 27 May 94 p 21)

Compared to the same month in 1993, when it totaled $902 million, the April trade surplus increased 56.98 percent and totaled $1.416 billion; exports totaled $3.635 billion and imports $2.219 billion. Exports accumulated over the last 12 months have reached the historic level of $38.931 billion, and imports $26.537 billion. Trade volume, i.e. the two operations added, totaled $65.468 billion in this period, with the balance a surplus of $12.394 billion. Compared to March, exports increased by 8.4 percent, imports dropped by 4.4 percent, and the balance increased by 37.4 percent. Compared to 1993, during the January to May period exports increased by 1.8 percent, from $12.284 billion to $12.514 billion; imports increased 12.03 percent, from $7.356 billion to $8.241 billion; and the balance surplus decreased by 13.29 percent, from $4.928 billion to $4.273 billion. Trade volume in the period totaled $20.775 billion, which is 5.68 percent higher that the $19.64 billion registered in 1993. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 94 p B11)

The Brazilian Institute of Geography and Statistics, IBGE, has reported that the May inflation rate in Sao Paulo and Rio de Janeiro totaled an average 44.11 percent, which is 0.59 percent lower than in April. In Sao Paulo the Broad Consumer Price Index totaled 44.32 percent, and in Rio de Janeiro 43.52 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 1727 GMT 3 Jun 94)

The Industry, Commerce, and Tourism Ministry closed on 29 April an investigation into "dumping" charges against imported Greek canned peaches. The investigation was requested by the Pelotas Union of Fruit and Preserves Industries in October 1993. A lawsuit was opened one month later, and in December a 44 percent tax began to be collected on these imports. Brazil will now have to return the tax collected from December 1993 to April, as the government has recognized that this is its second mistake regarding "dumping" charges. The first was with reference to the alleged dumping of EC powdered milk imports. International trade adviser Adimar Schievelbeing insists, however, that the Greek peaches reach Brazil at the price of $0.40 per can, while the price in Greece is $1.22. (Sao Paulo GAZETA MERCANTIL in Portuguese 6 Jun 94 p 5)

Implementation of the real will result in the closure of 188 Bank of Brazil branches in the interior of the country. In addition to being permanently in deficit, these branches are located in towns where most of the banking operations are concentrated in branches of the Federal Savings Bank and of the Northeast Bank. The strategy for closing the branches will be gradual, but will have to be concluded by November. (Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Jun 94)

According to data reported by the Foreign Trade Secretariat, Brazilian oil imports from January to March totaled $504 million FOB (Free on Board). This represents a 32 percent drop compared to the same period in 1993. Brazilian oil imports in April totaled $151 million FOB, i.e., 57.3 percent greater than in March, when the oil imports totaled $96 million FOB. Compared to April 1993, when products totaling $153 million FOB were imported, there has been a 1.3 percent drop. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Jun 94 Section 2 p 2)

As a result of exports and foreign investment, $3.62 billion have entered the country so far this year. This sum is equivalent to more than the overall amount in real cruzeiros currently in circulation. In April the amount totaled only $2.82 billion, but investment in the stock market this month alone totaled $710 million net. Despite reports of the suspension of foreign investment in the stock market in March and April, figures show that $295 million were invested in March and $415 million in April, and that no net foreign capital left the market during these months. Trade operations—exports minus imports—reached in May the record level of $3.02 billion, although in April they totaled only $2.61 billion. These figures, however, do not reflect the amount of exported products, but investment made in the futures market. The financial balance surplus in May totaled $610 million, while the total in April had been $45 million. The best level, however, was obtained in January, when it totaled $1.15 billion. Foreign reserves currently total $38.2 billion, and less than $9 billion will be used to guarantee the real. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Jun 94 Section 1 p 4)

Finance Minister Rubens Ricupero reported to the Rural Democratic Union congressional bloc on the morning of 8 June that a study conducted by Anfavea, the Applied Economic-Social Research Institute, indicates that the agricultural sector will grow 6.6 percent this year. He said that Anfavea data confirm this, and show an increase of 90 percent in the sale of tractors and of 70 percent in the sale of agricultural machinery on the domestic market. Ricupero also explained that the price of agricultural produce has remained 25 percent above the average price for the last 60 months, and that the Treasury has already allocated almost $1 billion to the sector this year, although the entire amount allocated last year was only $1.2 billion. The government plans to

allocate a total of $2.6 billion to the sector this year. (Sao Paulo AGENCIA ESTADO in Portuguese 1720 GMT 8 Jun 94)

During the first five months in 1994 the car manufacturing industry produced a record number of 630,825 vehicles: 475,776 of them remained in the domestic market, and 148,913 were exported. Luiz Adelar Scheuer, president of the National Association of Automotive Vehicle Manufacturers, said that by December 1.5 million cars will have easily been manufactured in the country. He criticized, however, the government decision to increase interest rates before implementing the new currency. He said this will divert money from production into investment. (Sao Paulo AGENCIA ESTADO in Portuguese 1720 GMT 8 Jun 94)

The number of cars sold on the domestic market in May increased by 18.5 percent compared to April, and totaled 111,483 units. Compared to the same month in 1993, this number increased by 24 percent. This number includes the sale of Brazilian-made cars, of cars assembled in the country, and of cars imported by companies affiliated to the Brazilian Association of Automotive Vehicle Importing Companies, Abeiva. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 Jun 94 p 1)

A poll conducted by the National Confederation of Industries, CNI, the results of which were announced by its President Mario Amato, indicates that competition with imported products has forced Brazilian entrepreneurs to improve their quality control and rationalize production. The opening of the national market to imported products has made companies reduce costs, increase productivity, and improve technologies. Nearly 80 percent of the interviewed entrepreneurs, who work for 1,136 different companies, said that the opening resulted in greater productivity and lower costs. Forty percent of them, however, believe there has been an increase in the number of products being dumped, or sold for prices lower than those in the countries from which they were imported. Nearly 70 percent of those interviewed, however, pointed out that profitability has decreased. (Sao Paulo AGENCIA ESTADO in Portuguese 2106 GMT 9 Jun 94)

An IBGE poll conducted from 30 April to 30 May indicates that the Expanded Consumer Price Index rate, which reflects the behavior of prices for families with earnings from one up to 40 minimum wages, in the month of May increased by 44.03 percent. According to the National Consumer Price Index, which considers families living on one to eight minimum wages per month, the inflation rate totaled 42.73 percent, 0.13 percent less than in April. (Sao Paulo AGENCIA ESTADO in Portuguese 2247 GMT 9 Jun 94)

Chile

Frei's Cartagena Summit Proposals Viewed

PY1306185294 Madrid EFE in Spanish 1604 GMT 10 Jun 94

[Text] Santiago, 10 Jun (EFE)—Open regionalism, growth with social equity, and the strengthening of democracy are the main proposals Chilean President Eduardo Frei will present to the Fourth Ibero-American Summit of Chiefs of State and Governments to be held on 14 and 15 June in Cartagena de Indias (Colombia).

This announcement was made by Foreign Relations Under Secretary Jose Miguel Insulza, who said Frei will leave for Cartagena on 13 June with a small delegation aboard a commercial flight.

Chilean Foreign Minister Carlos Figueroa will leave for Cartagena on 11 June to attend the preparatory meetings at the foreign minister level to decide on the proposals to be debated by the chiefs of state and governments.

Figueroa also confirmed that President Frei will meet with Spanish King Juan Carlos. He will probably meet with Bolivian President Gonzalo Sanchez de Lozada, and Cuban President Fidel Castro. These meetings will depend on Frei's agenda.

Insulza confirmed that the Chilean Government has approved the agenda of the summit which will center mainly on economic issues. He added that Frei will promote open regionalism, a policy which Chile has successfully developed at the trade level through bilateral and multilateral agreements.

He said the Chilean Government wants a regional debate on growth with equity because it considers overcoming poverty to be the most important challenge for the countries of the region.

Regarding democracy, Inzulza said Chile advocates a stronger and better democracy in Ibero-America, efficient governments, honest administrations, and modernization of the state.

Inzulza added that Frei's proposals to the summit are closely linked to the general guidelines of his administration.

Frei was inaugurated last March after winning the December 1993 elections with 58 percent of the vote. He chose as his government priority the fight against poverty through growth with equity.

To do this he created a national commission to fight poverty, which affects 4 million Chileans; some 1.2 million live in extreme poverty.

Frei on 'Social Summit,' Importance of Ibero-American Summit

PY1306191094 Madrid EFE in Spanish 0101 GMT 11 Jun 94

[Text] Santiago, 10 Jun (EFE)—Chilean President Eduardo Frei announced today that during the upcoming Cartagena summit, he will explain the Chilean plan to eradicate poverty that will be proposed at the Social Summit in Copenhagen.

Speaking before the United Nations in 1993, former Chilean President Patricio Aylwin proposed a social summit to undertake a global effort to eradicate poverty, which affects millions of people around the world.

During a meeting today with foreign correspondents, Frei stressed the importance of the Cartagena summit. He said he will use the opportunity to hold bilateral meetings with presidents from neighboring countries, with Spanish King Juan Carlos, Spanish Prime Minister Felipe Gonzalez, Venezuelan President Rafael Caldera, and Cuban President Fidel Castro.

Regarding Cuba, with which Chile maintains ties at the consular level, Frei noted the appointment of Ambassador Patricio Pozo, the former Chilean representative to Costa Rica, as Chilean consul to Cuba. He also mentioned Chilean-Cuban commercial and tourism ties. Frei commented on the credit line granted to Cuba for the purchase of foodstuffs from Chile, as well as Cuban Foreign Minister Roberto Robaina's upcoming visit. Frei said that during his talk with Castro, we will continue to discuss the strengthening of bilateral ties seeking to consolidate democracy and uphold human rights.

Frei reasserted his opposition to a unilateral armed action against Haiti, but hastily condemned the serious situation in that country. He said: "We do not favor unilateral solutions and will support all multilateral measures adopted by the international community that seek to restore democracy in Haiti."

Open regionalism will be one of the priority proposals to be made by Frei at the Cartagena Summit. Frei stated: "In an integrated world, in which large economic blocs like the EU, NAFTA (among the United States, Mexico and Canada), and APEC (Asian-Pacific Economic Corporation) are being consolidated we, as Latin Americans, must also be present. A Latin American union should not be a closed association, it should help us to open these markets."

Development with equity, the fight against poverty and crime, and drug enforcement are also included in the Chilean proposal. Frei said: "Particularly, a clear political idea to achieve progress regarding integration."

He stressed the Chilean decision to join the Common Market of the South (Mercosur) which originally comprised Argentina, Brazil, Uruguay, and Paraguay.

The Cartagena Summit will be the first international conference to be attended by President Eduardo Frei since he assumed power on 11 March.

Frei will meet with U.S. President Bill Clinton in Washington on 28 June. He will attend the Rio Summit in September, and attend the APEC Summit meeting in Jakarta, Indonesia, in November. During this meeting Chile will be accepted as a member country.

On 9 and 10 December, Frei will attend the presidential summit in Miami called by President Clinton. Speaking about the possible duplication as a result of the Ibero-American summit in Cartagena and the Summit of the Americas in Miami, Frei said he believes all efforts to increase the number of meetings of Latin American presidents or European leaders are positive.

Daily Discusses Free Trade Accord With United States

PY1406014594 Santiago ESTRATEGIA in Spanish 6 Jun 94 p 3

[Editorial: "The Suitability of NAFTA"]

[Text] Although the possibility of Chile reaching an agreement with the United States—either by joining NAFTA or by signing a bilateral agreement—has been a recurrent subject over the past few months, only now that the two governments have started informal talks have some people expressed their concern.

Lack of information on the various aspects and consequences of future negotiations has triggered legitimate fears that must be discussed. The truth is that these fears should have been discussed some time ago so that they could be assessed and debated. Anyway, over the next few months the government will release adequate information about NAFTA, will study the suitability of joining NAFTA or some other bilateral agreement, and will promote technical studies in various sectors.

One thing is quite clear: Reaching a free trade agreement with the United States—either a bilateral agreement or by joining NAFTA—will be beneficial for Chile because it involves its main commercial and financial partner. Moreover, in the case of the second alternative, one must bear in mind that North America is a market of 360 million consumers with an annual per capita income of $20,000 in the United States, $19,000 in Canada, and a little more than $2,700 in Mexico.

Moreover, trade with that region is significant. Some 19 percent of Chilean annual exports go to North America, 17 percent of which go to the United States. Chilean annual imports amount to $660 million, 75 percent of which come from the United States, 21 percent from Canada, and 4 percent from Mexico.

It should also be remembered that an agreement would make it possible for custom and non-custom barriers, which affect almost 25 percent of Chilean foreign trade, to be lifted over 15 years.

The move would also improve Chile's image because reaching a bilateral agreement with the United States means complying with a series of strict requirements. It would step up foreign investments because Chile's name will occupy a higher "investment grade" [two preceding words in English], which would be appreciated by foreign businessmen.

These benefits will vary according to the type of agreement reached with the United States. They will probably be much stiffer if Chile joins NAFTA, an agreement that has obvious advantages.

Among these advantages is that the terms are already known, thus allowing Chile to simultaneously negotiate with Canada and Mexico, and increase its chances of gaining access to those markets. It will clearly regulate labor and environment aspects and offer a good opportunity to negotiate with other countries, especially those of the Asian bloc.

On the other hand, in a bilateral agreement Chile's interests might be diminished by the greater negotiating power of the United States. Lastly, failing to reach an agreement would be very costly for Chile because it would cause uncertainty among the economic agents and weaken bilateral relations with that important partner.

Frei Defends Pinochet's European Tour, Ties With Military

PY1406015494 Madrid EFE in Spanish 0113 GMT 11 Jun 94

[Text] Santiago, 10 Jun (EFE)—Chilean President Eduardo Frei today downplayed criticism of Army Commander Augusto Pinochet's recent trip by stating that ties with the Chilean Armed Forces are "extraordinarily positive."

Ever since his first speeches, Frei has noted the "impersonality of power" as a government formula: "In this case, there are no personal ties, only institutional ties. Government ties with the Armed Forces and their commanders are extraordinarily positive."

Frei stated that a discussion agenda has been drafted on issues the government believes should be defense policy guidelines.

He said: "General Pinochet made a trip at the institutional level. I met with him before his trip and we will assess his trip when he returns, as is done with all the Armed Forces commanders."

Gen. Pinochet's visit to Europe caused protests among some European associations, particulary during his stay in the Czech Republic.

Roundup of Economic Reports

PY1106005394

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 9 June.

On 7 June the Central Bank reported that the Chilean trade balance registered a $334.2 million surplus between 1 January to 15 May, with exports at $3.9001 billion and imports at $3.5659 billion. This figure differs from the $62.2 million deficit registered during the same period in 1993, and confirms Chile's rebound in exports, which had been affected in 1993 by the drop in the prices of copper, cellulose, fishmeal, and fruit, among other products. Economic authorities said that the increase in the price of copper greatly contributed to improving the trade balance. (Madrid EFE in Spanish 1753 GMT 7 Jun 94)

The Andean Board, headquartered in Lima, reported that the Andean Group has become a major Chilean trade partner in the past few years. Sales to these countries went from $525 million in 1992 to $585 million in 1993. However, exports to Japan dropped from $1.714 billion to $1.543 billion; to the United States from $1.58 billion to $1.532 billion; and to Brazil from $451 million to $424 million. During this period Chile exported to the Andean area a greater number of products than any other country, with the number of various products rising from 2,456 to 2,509. (Madrid EFE in Spanish 1638 GMT 3 Jun 94)

The Chilean Foreign Ministry Economic Department has reported that Chile's foreign investments since 1990 amount to $3.486 billion, out of which a total of $2.373 billion was invested in Argentina, $636 million in Peru; $192.9 million in Brazil; and $69 million in Venezuela. Investments were also made in Panama, with $39.9 million; Cuba, $32.3 million; Ecuador, $16.4 million; Bolivia, $7.5 million; Colombia, $6.9 million; Uruguay, $2.7 million; Costa Rica, $1 million; and Mexico, $750,000. A total of 105 companies have invested abroad. (Madrid EFE in Spanish 1653 GMT 3 Jun 94)

Colombia

Trade Agreement Signed With Caricom

PA1206032494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 11 Jun 94

[From the "24 Hours Newcast"]

[Text] Colombia signed a trade and economic cooperation agreement with 31 Caribbean countries this evening. Foreign Trade Minister Juan Manuel Santos explained the scope of the agreement.

[Begin Santos recording] A great opportunity has been opened for Colombia's productive sector because at this time we export to the Caribbean no more than $65 million. This is the first time the Caricom [Caribbean

Common Market] has signed an agreement establishing reciprocity. In other words, we open our markets to them and they in turn open their markets to us. That had never happened before with the Caricom countries. In addition, this means we are fulfilling to the letter all our plans to open markets to Colombian products in the Latin American region. [end recording]

Poll Shows Pastrana Leads Samper by 2 Percent

PA1206031594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 11 Jun 94

[From the "24 Hours Newcast"]

[Text] Andres Pastrana has a two-point lead over Ernesto Samper, according to a poll conducted by the National Consulting Center. The poll was contracted by the Bavaria company and released by the Caracol Network. The poll was conducted between 2-8 June in 106 cities and municipalities. Using a copy of the ballot, 10,360 persons were polled. The results were as follows: Andres Pastrana received 49 percent support of those intending to vote, and Ernesto Samper received 47 percent support of those intending to vote. The poll's margin of error is 1.2 percent.

Paraguay

Wasmosy Leaves for Ibero-American Summit

PY1306220594 Asuncion ULTIMA HORA in Spanish 13 Jun 94 p 13

[Excerpts] As of 14 June, President Juan Carlos Wasmosy will make his debut in Ibero-American summits. The chief executive traveled today to Cartagena, Colombia, where he will ask for the other nations' support for the nascent Paraguayan democracy. Even though Paraguay has no diplomatic ties with Cuba, the chief executive said he would meet with Fidel Castro.

Paraguayan President Juan Carlos Wasmosy left this morning for the summit of presidents and heads of state of Ibero-American countries scheduled in Cartagena, Colombia. This will be the fourth Ibero-American summit. Former President Andres Rodriguez represented our country in the three previous Ibero-American summits which were held in Guadalajara, Mexico; Madrid, Spain; and Salvador de Bahia, Brazil. [passage omitted]

Foreign Minister Luis Maria Ramirez Boettner, as well as congressmen from various parties, make up President Wasmosy's entourage. Wasmosy will stay at the Cartagena Hilton. The official delegation will participate in various forums through 15 June. Their return has been scheduled for noon on 16 June. [passage omitted]

Roundup of Economic Reports

PY1306140594

[Editorial Report] The following is a compilation of reports on economic activities in Paraguay monitored through 9 June.

Paraguayan Central Bank, BCP, sources have reported that the domestic public debt, including capital and interests, totaled 1,364,923,000,000 guaranies by 31 December 1993. According to BCP records the domestic public debt by 31 December 1993, involving loans in guaranies and dollars, is broken down as follows: central government (basically the Finance Ministry): 960.282 billion guaranies; decentralized organizations: 1.757 billion guaranies; municipalities: 1.169 billion guaranies; and public enterprises, 401.715 billion guaranies. (Asuncion ABC COLOR in Spanish 3 Jun 94 p 20)

According to the Technical Planning Secretariat, a $264.7 million trade balance deficit was reported during the first four months. During this period exports totaled $265.3 million, while imports totaled $530 million. Cotton exports declined by 41.4 percent, and meat exports declined by 12.2 percent. Soybean exports grew 35 percent, coffee exports grew 77 percent, and timber exports grew 6.7 percent. (Asuncion ABC COLOR in Spanish 8 Jun 94 p 14)

Peru

PRC Official Announces Oil Prospecting

PY1106004094 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Jun 94

[Report by Eduardo Lindo Collantes from Congress; minister's name and title as heard]

[Text] PRC Hydrocarbons Minister Wang Tao [title as received] today said that China will invest dozens of million of dollars in the oil industry in Peru. The Chinese minister today met with acting President Jaime Yoshiyama who is also the president of the CCD [Democratic Constituent Congress].

Minister Wang Tao said Chinese experts are prospecting for oil in the Talara region.

[Begin Wang Tao recording in Chinese with simultaneous translations into Spanish] We have opened an oilfield in the region of Talara, in the northern part of the country, seeking to increase production from an oil field that has been exploited for several years. We are now making new drillings and underground tests. We are convinced that through our efforts we can increase production. [end recording]

These were the comments, through a translator, of Minister (Huang Tao) after meeting with CCD President Jaime Yoshiyama.

Economy Minister Attends Seminar in London

PY1006220794 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Jun 94

[Text] Economy Minister Jorge Camet said today in London that Peru is a secure and stable country for investments, and that its people have regained their faith.

Minister Camet is attending a conference on Latin America organized by the Inter-American Development Bank and the HERALD TRIBUNE in London. Camet added that in the next 18 months all state companies, including Petroperu [State Petroleum Agency], Solgas [Compania Peruana de Gas S.A.—Peruvian Natural Gas Company Inc.], Petromar [Petroleos del Mar S.A.—Off-shore Oil Drilling Inc.], Electroperu [Peruvian State Electric Power Company, Inc.], and Sedapal [National Potable Water and Sewage Service] will be privatized.

Perez de Cuellar To Run for President

PY1006191594 Madrid EFE in Spanish 1627 GMT 10 Jun 94

[Text] Lima, 10 Jun (EFE)—The Peruvian press reports today that former UN Secretary General Javier Perez de Cuellar has finally decided to run for president. The press reports add that Perez de Cuellar hopes to officially announce his decision in August.

According to the newspaper EXPRESO, Perez de Cuellar's decision was announced by a group of Peruvian politicians, businessmen, and personalities who met him a few days ago in Paris, where Perez de Cuellar currently lives.

The Peruvian presidential and legislative elections will be held in April 1995 but the deadline for the registration of presidential candidates is October 1994.

EXPRESO reports that the former UN secretary general hopes Police Inspector General Antonio Ketin, responsible for capturing Shining Path leader Abimael Guzman in 1992, and Diego Garcia Sayon, former Andean Lawyers Commission chairman and an old leftist militant, will be his running mates.

According to EXPRESO, Perez de Cuellar has "declined" any eventual alliances with traditional political parties that support his candidacy. He believes their support will do him more harm than good because they will take away votes from him.

He has proposed, however, giving more participation in his eventual administration to the main party supporting him, the Popular Christian Party (PPC), if the main PPC leaders decide to withdraw their candidacies to the legislature.

Perez de Cuellar approved a list of candidates to the legislature encompassing independent politicians identified with the opposition, such as Maximo San Roman, who was President Alberto Fujimori's vice president until the 1992 coup d'etat.

The list also includes personalities such as former Senators Enrique Bernales (Socialist) and Raul Ferrero (conservative); Daniel Estrade, the leftist mayor of Cusco; and Bar Association President Jorge Avendano, among others.

Moreover, political circles have reported high-ranking Peruvian media representatives also were present in the Paris meeting at Perez de Cuellar's request.

The same sources reported that Alfredo Barnechea, a journalist and former candidate for Lima City Hall for the APRA [American Popular Revolutionary Alliance]—headed by former President Alan Garcia—will be the 75-year-old veteran diplomat's campaign manager. Barnechea is married to Perez de Cuellar's stepdaughter.

Perez de Cuellar's campaign will be launched next week with several new members and the collection of signatures to support the former UN secretary general's candidacy.

Court Names National Election Board President

PY1006222194 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Jun 94

[Text] The plenum of the Peruvian Supreme Court today named Ricardo Nunez as its representative to the National Election Board. According to the law, Nunez will be the president of the National Election Board.

Ricardo Nunez, former president of the Supreme Court and former rector of the San Martin de Porres University, was the senior justice and member of the executive council of the judicial branch until 20 April 1992 when he resigned following the rupture of the constitutional order. He is currently a labor law professor and emeritus rector of the San Martin de Porres University, emeritus professor of the San Marcos National University, and honorary professor of the National Universities of Trujillo, San Antonio, and San Luis Gonzaga.

The Supreme Court members also named Alvaro Chocano Marina, former president of the Supreme Court, as the alternate representative. The official announcement of these appointments will be made during a news conference by Supreme Court President Luis Serpa Segura in the next few minutes.

State of Emergency Extended in 3 Amazonian Areas

PA1106183494 Paris AFP in Spanish 1735 GMT 11 Jun 94

[Text] Lima, 11 Jun (AFP)—The Peruvian Government extended the state of emergency for 60 days beginning

today in several provinces of three Amazonian departments, because "narcoterrorist actions continue" there, it was officially reported today.

Meanwhile, the police reported that on the evening of 10 June two policemen and a private agent who were guarding stores—the former two in the capital city district of El Agustino and the third in San Miguel—were overpowered by presumed Shining Path commando units, who seized their weapons. The attackers made death threats against the three attack victims and threw leaflets referring to the "armed struggle" and expressing opposition to the government.

This special measure, which is contained in a supreme decree published by the EL PERUANO official gazette, affects the provinces of the jungle departments of Huanuco, San Martin, and Loreto. The provision implies the suspension of constitutional guarantees in the areas mentioned and also means that the Armed Forces will continue to guarantee public order.

Official figures indicate that more than 60 percent of national territory falls under this regime and that the constitutional guarantees of nearly 50 percent of the Peruvian population (22,128,466 inhabitants) have been restricted since the start of the "fratricidal war" in 1980 in Ayacucho, in the southeastern Andean region, which has claimed more than 27,000 lives.

Congressmen Condemn Release of 3 'Terrorists'

PY1406005294 Lima Radio Programas del Peru Network in Spanish 1800 GMT 13 Jun 94

[Report by reporter Eduardo Lindo Collantes from Congress—live]

[Excerpts] Congressman Cesar Fernandez, president of the Justice Committee and member of New Majority-Change 90, condemned today the release of three terrorists who were involved in murder. Fernandez demanded a thorough investigation of the judges who ordered their release.

Fernandez added that he will submit a bill to ensure that the release of terrorists cannot occur without the confirmation of a superior court. [passage omitted]

Congressman Julio Castro Gomez said the terrorists' release is a very serious event that should be explained to the country by the interior and justice ministers. Castro announced that he has submitted a note requesting that the two ministers of the cabinet of President Alberto Fujimori appear before a plenary session of Congress or before the congressional executive board.

[Madrid EFE in Spanish at 1433 GMT on 13 June 1994 reports that three Shining Path terrorist organization leaders, one of whom ordered the murder of Lieutenant Mayor Maria Elena Moyano of Villa El Salvador in 1992, have been released. According to a program aired by Channel Four on the night of 12 June, the released terrorists are: Luis Alberto Arana Franco, aka Abel; Juan Carlos Rojas, aka Norman; and Monica Tinta. The television program comments that their release could be part of a strategy to deepen the conflict within the Shining Path.]

Former Economy Minister Urges Agrarian Reform

94SM0361A Lima EL COMERCIO in Spanish 8 May 94 p A5

[Unattributed interview with former Minister of Economy Juan Carlos Hurtado Miller; place and date not given: "Hurtado Proposes Putting All CPT Privatization Revenues Into Agriculture;" first paragraph is EL COMERCIO introduction]

[Text] A new "agrarian reform" so the campesinos will no longer just be producers, but will instead become businessmen, with full financing to come from the over $2 billion generated by the privatization of the CPT [Peruvian Telephone Company] was proposed yesterday by Juan Carlos Hurtado Miller, former Minister of Agriculture (during the government of Fernando Belaunde) and former chairman of the Council of Ministers and Minister of Economy and Finance (during the present government). A former Popular Action activist, Hurtado Miller (born in Lima in 1940) graduated from the National Agrarian University in 1962, a year after the present head of state, Alberto Fujimori. In an interview with EL COMERCIO, he said it is now time for agriculture to emerge from the prostration in which it has been sunk for the past 20 years.

[EL COMERCIO] Why should agriculture be the priority sector to get the $2 billion from privatizing the Peruvian Telephone Company?

[Hurtado] For economic development reasons. This sector can give the fastest response with a little investment. We can improve our food supply and diversify our exports. We would also be able to stabilize our food growth, improve our price structure, and create greater territorial integration. On the social side, it is urgent to attack critical poverty and improve the occupation of Peru's territory.

[EL COMERCIO] Why has agriculture been the sector least favored by the state in recent times?

[Hurtado] There are spectacular figures that destroy the economy. From 1980 to 1984 agricultural subsidies declined systematically. That trend was reversed in 1985; agricultural subsidies soared and came to $944 million in 1988. In 1989 these subsidies were $2.64 billion. And subsidizing a sector in such a total, massive, and generic manner as was done in agriculture by the former government does not help that sector. Those subsidies favor consumers and undermine the real growth of agriculture.

[EL COMERCIO] Are you suggesting there should be no subsidies for agriculture?

[Hurtado] The subsidy system has to exist, but it needs to be guided, focused, and financed with real resources—it also must be temporary. There cannot be an indiscriminate expansion of subsidies via the Central Reserve Bank. This government (the Fujimori administration) deactivated the Agrarian Bank because it thought the Agrarian Bank was causing inflation. That is not true. What creates inflation is (inorganic) issues by the Central Bank.

[EL COMERCIO] Do you think the time has come to promote agro-industry with the resources generated by privatization?

[Hurtado] This is a great opportunity for Peru. People say we are going to get $6 billion through privatization. The agrarian sector represents 30 percent of the country's population. So it should get 30 percent of the resources from privatization: $2 billion. I propose that all the revenues from privatizing the CPT be allocated to the agrarian sector. We need to develop two types of agro-industry: high-tech for export purposes and intermediate-level technology.

[EL COMERCIO] Then we would not need to rely on external sources to finance agricultural development? What the now flourishing Public Treasury can provide for us is more than sufficient?

[Hurtado] These resources from privatization ($2 billion) can generate nearly $1 billion in credit, either from multinational organizations, from development banks, or bilateral loans from other countries. In the next three or four years we could get $3 billion. That would create a great boost for the agrarian sector, which provides 11 percent of our Gross Domestic Product.

The Proposal

[EL COMERCIO] Tell us about your proposal for using the resources from the CPT's privatization.

[Hurtado] On a national level we need to make up the deficit in the National Food Reserve by allocating $50 million for production areas. We need to establish a production and market information system and a Promotion Fund to create agricultural and seed production services with private industry to ensure vertical growth in agriculture.

[EL COMERCIO] What needs to be done to revitalize agricultural exports?

[Hurtado] We propose to create a fund to promote exportable crops and export guarantees, starting by targeting specific zones for production and promoting social development. The BLADEX [Latin American Export Promotion Bank] and FLAR [Latin American Reserve Fund] can provide us with $100 million. We are also proposing agricultural credit insurance to cover natural disasters.

[EL COMERCIO] But agriculture also needs technological support....

[Hurtado] Our proposal contains a technical assistance program, to complement credit, and two programs: one for the creation of high-tech agroindustry and the second for primary processing with intermediate-level technology. These proposals total $520 million, with the resources to come from privatization. And we are also considering another $350 million in additional funding that could be financed by international development banks or by bilateral credits.

[EL COMERCIO] Your proposal, divided by regions (coast, mountains, and forests), comes to $1.6 billion. For the coast you propose establishing a loan guarantee fund. What would that involve?

[Hurtado] Commercial banks do not make agricultural loans, and they are not going to. They say this is a problem of land ownership titles. Only 54 percent of our cultivated land area has ownership titles. The Loan Guarantee Fund could have $50 million in cash so that Peruvian banks will earmark $1 billion for agrarian credit. I will also mention midterm financing for advanced irrigation systems for 100,000 hectares at a cost of $200 million. We also need a saline land recovery program because 30 percent of the total of $600 million is for the coast.

[EL COMERCIO] What about resources to stimulate agrarian production in the mountains, which have recently experienced population declines, and the forests, where coca plantations now occupy our arable land?

[Hurtado] For the mountains we are proposing another $600 for three projects: the South American llama and related species breeding project, the rural development program, and communications infrastructure. For the forests we suggest two programs: a coca crop replacement program with a guaranteed price, so the state will start to buy from the forests to create incentives by promoting other crops like rice or corn. The other program is the improvement of our road system. Right now it is cheaper to import rice from South Vietnam or the Philippines than to get it from Huallaga. That would be the $2 billion agrarian development program. So in the future campesinos will not get used to living on subsidies or gifts, paternalism, or simply on state aid. Instead, the role of private activity will be preponderant, it will be the driving force. In summary, producers will become businessmen with the determined support of commercial banks and with the state providing resources.

Roundup of Economic Reports

PY1306160394

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 9 June.

PRODUCTION

The Agriculture Ministry reported that agriculture and livestock production increased by 8.9 percent in March as compared with the same month last year. A total of 1,252,006 hectares were earmarked nationwide for the agricultural campaign from August 1993 to March 1994—247,943 hectares more than in the 1992-1993 campaign. (Lima EL COMERCIO in Spanish 21 May 94 p B8)

The National Industries Association reported that industrial production grew 14.6 percent in the first four months of the year as compared with the same period in 1993. Manufacturing industry increased 12.94 percent, and the primary sector, which includes mining, fishing, and construction, rose 17.96 percent. (Lima EL PERUANO in Spanish 1 Jun 94 p B3)

The National Statistics Institute reported that the GDP rose by 13.8 percent in April and 10.7 percent for the January-April period, as compared with the same periods last year. The wholesale price index rose 0.3 percent. (Lima EL COMERCIO in Spanish 2 Jun 94 p 1)

INVESTMENT

The National Commission for Foreign Investments and Technology reported that foreign investments amounted to $1.484 billion through 15 May, and to $3.486 billion from December 1990 to 25 May 1994. Approximately $952.32 million were invested in the stock market. The mining and industrial sectors accounted for 34.2 percent and 32.7 percent of investments respectively. (Lima EL PERUANO in Spanish 26 May 94 p B4)

FOREIGN CREDIT

Peru obtained today in Washington a credit line of $150 million from the World Bank to reorganize the transportation system. The loan agreement was signed by Peruvian Ambassador Ricardo Luna and by the vice president of the World Bank. The loan represents 62 percent of the project, which is estimated at $242 million and will also be financed by the Peruvian and German Governments. (Lima Radio Programas del Peru Network in Spanish 1800 GMT 3 Jun 94)

REVENUES

The National Tax Administration Superintendency reported that tax revenues rose by 4.228 billion new soles in the first four months of the year, an increase of 23.8 percent compared with the same period last year. (Lima EL COMERCIO in Spanish 27 May 94 p B9)

INFLATION

The Cuanto consulting firm reported that the May inflation rate was 0.7 percent, and the cumulative inflation rate 27.5 percent for the past 12 months and 8.24 percent so far this year. The Apoyo consulting firm reported that the inflation rate was 0.8 percent in May, 24.1 percent in the past 12 months, and 8.2 percent so far this year. House rental and fuels registered the highest increases, with 2.9 percent; clothing and shoes 2.8 percent; health 2.2 percent; and restaurants and other goods and services 2.0 percent. (Lima EL COMERCIO in Spanish 1 Jun 94 p 1)

PRECIOUS METALS

Approximately 8 metric tons of gold valued at $89 million are being smuggled into Brazil and Bolivia per year. The metal is sent to the city of Rio Branco in Brazil and to Puerto Pardo in Bolivia from Madre de Dios Department. (Lima EL COMERCIO in Spanish 2 Jun 94 p 1)

Uruguay

Argentine, Paraguayan Presidents Depart

PY1306171894 Madrid EFE in Spanish 0100 GMT 11 Jun 94

[Excerpt] Montevideo, 10 Jun (EFE)—Argentine President Carlos Menem and Paraguayan President Juan Carlos Wasmosy returned tonight to their respective countries after participating here in Montevideo in a ceremony to open bids for the dredging of the Martin Garcia Channel on the River Plate.

The chiefs of state remained for a few hours in the Uruguayan capital, where they met with Uruguayan President Luis Alberto Lacalle and participated in the ceremony during which Uruguayan Foreign Minister Sergio Abreu and Argentine Foreign Minister Guido Di Tella signed and exchanged the respective documents. [passage omitted]

Roundup of Economic Reports

PY1306143294

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 9 June.

The National Institute of Statistics, INE, has reported that the inflation rate totaled 2.76 percent in May. The consumer price index totals 14.7 percent after the first five months of the year, which represents a 6.9 percent reduction as compared with its position in May 1993. According to INE data, clothes and shoe prices accounted for the largest increase, namely 6 percent, while education accounted for the lowest increase of 0.5 percent. (Montevideo LA MANANA in Spanish 2 Jun 94 p 3)

UTE, General Administration of State Electric Power and Telephones, sources have told EL OBSERVADOR ECONOMICO that the UTE board of directors has approved a 6.5 percent average increase in UTE rates as of 1 June. UTE rates are increased every two months. According to UTE estimates, UTE rates have declined, in real terms, by 33 percent between March 1990 and

December 1993. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 2 Jun 94 p 8)

Stock Exchange operations declined by 34.3 percent in May as compared with May 1993. May operations, which totaled $38.2 million, were 22.3 percent under those reported for April. During the first five months, stock exchange operations totaled $212.4 million, which represents a 23 percent decline as compared with operations for the same period last year. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 2 Jun 94 p 1)

Venezuela

Finance Minister Admits Talks With IMF

PA1406043394 Caracas ECONOMIA HOY in Spanish 10 Jun 94 p 8

[Text] Finance Minister Julio Sosa Rodriguez has admitted in London, without providing details, Venezuela is holding talks with the IMF, but he has explained his country has yet to request a "standby" [previous word published in English] agreement.

During his visit to London, Sosa seized the opportunity to meet with representatives of the British private and public sectors, as well as with the media, in what could be considered an instructive offensive aimed at projecting a clearer image of the country's prevailing situation.

He announced IMF President Michael Camdessus will visit Venezuela in late June, adding the country has enough reserves to pay for 11 months worth of imports and to meet foreign debt obligations.

During his meeting with media representatives, Sosa not only delineated the economic measures the country is taking; he also listened to and answered questions, stressing "the distortions that can be made due to a lack of information and preconceived notions." He left the doors open for future consultations.

The finance minister added: "The possibility that Venezuela has to achieve self-sustained economic growth requires time, despite good intentions and determination; this time must be used to invest in political stability and social justice."

Sosa also reported the British company Baywater will sign an agreement with the Venezuelan Government to repair the metropolitan aqueduct, which will not only regulate the water supply to Caracas but will also constitute a large boost for the "Venezuela Project," through which the British private sector will invest more than $2 billion in the country.

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